# The NATIONAL UNDERWRITER



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The NATIONAL UNDERWRITER

December 22, 1949
53rd Year, No. 51

# Buyers Stage Sparkling Rally at Chicago

### Big Issues Noticeably Absent; Package Plans, Simplified Rating to Fore

The more than 500 insurance buyers and insurance company representatives attending the meeting last week at Chicago of American Management Assn. insurance section were treated to a top-flight program of speeches and a series of panel discussions that aired problems of the moment. The gathering was further enlivened by the brilliant social occasions that have become a fixture at


Chase M. Smith


R. C. McCullough

these conferences — the cocktail parties and dinners given by Marsh & McLennan and Rollins Burdick Hunter, and the breakfast of Lumbermens Mutual Casualty.

There was an air of harmony throughout the sessions. The buyers are not plagued with a market shortage, and on the vexing problems of the day, placing and rating of interstate risks and the desire for "package" coverage and rating in the casualty field, it was evident that the efforts of the insurance companies in providing solutions are proceeding as rapidly as possible.

**State Authorities on Hand**

Supervisory authorities in the persons of Commissioner Harrington of Massachusetts and Deputy Superintendent Roy McCullough of New York rounded out the program and kept the discussion in balance when it was necessary to explain that some of the buyers' requests require cautious treatment.

Russell B. Gallagher, Philco Corp., distinguished himself in his first appearance as insurance section vice-president. His moderation of the discussions was capable, and his alertness and ability to summarize the points under review kept the meeting going at a lively pace.

Participants in the opening panel were Lewis E. Eldridge, Collins & Aikman Corp., and Paul H. Schindler, Youngstown Sheet & Tube, for the buyers; Charles J. Haugh, secretary of the compensation and liability department of Travelers, and Chase M. Smith, general counsel of Lumbermens Mutual Casualty, for the companies, and Messrs. Harrington and McCullough, for the regulatory authorities.

Mr. Eldridge, in his remarks, emphasized the desire of the buyers for more rapid changes in policy conditions and for contracts of a broad nature providing more liberal coverage.

He mentioned the example of a com-

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# Three Hanover Men at Chicago Office Named Secretaries

Alfred M. Wagner, Burt H. Aust and James P. Jana, assistant secretaries of Hanover and Fulton Fire, have been advanced to secretaries. All are with the western department offices at Chicago.

Mr. Wagner started with Hanover in 1920 as superintendent of the automobile department. He was named assistant secretary in 1944.

Mr. Aust joined Hanover in 1937 as Oklahoma state agent, becoming superintendent of agents in the western department in 1947. He was named assistant secretary in 1948.

Mr. Jana started in the Michigan and Wisconsin fields and for many years, until 1947, was Illinois state agent. He was appointed superintendent of agents in 1947 and assistant secretary in 1948. He is a past most loyal gander of Illinois Blue Goose.

## Sees '49 Profit in 12½-15% Range

Mortimer E. Sprague, vice-president and secretary of Home, in addressing a meeting of Boston Security Analysts Society, expressed the opinion that the statutory underwriting profit for all stock fire companies this year will be in the range of 12½% to 15%. This is on an estimated earned premium income of about $2 billion, 100 million, or approximately $300 million.

Mr. Sprague emphasized that the extraordinary underwriting profit of the fire companies this year actually represents in effect only a recapture of the losses for the poor years of 1945-47. So far as 1950 is concerned, he voiced the belief that straight fire lines should produce nearly as satisfactory results as this year. Recent rate reductions may not be fully reflected in returns until 1952 or 1953. Automobile lines may not be as profitable. This would happen if current favorable experience were reflected in rate adjustments. Inland marine insurance should continue to be good. There appears to be no disturbing factor in the ocean marine field and extended coverage lines are now on a sounder rate level.

## Spokane Convention Site

Washington Assn. of Insurance Agents will hold its 1950 convention at Spokane. The dates will not be set until nearby state groups have been consulted in order to avoid conflicting dates and for the convenience of visiting speakers.

# Agree on Area of Clayton Act

### Also Introduce Multiple Location Figures at N. Y. Hearing

NEW YORK—A meeting of minds appears to have occurred, at least in part, as to applicability of the Clayton act to the insurance business, in the multiple location risk hearing at the New York insurance department. The hearing was adjourned last week until after the holidays, probably Jan. 6.

Carl E. Newton, of counsel for those companies, America Fore and others, that are appealing approval of the credit-debit plan of rating multiple location risks, prepared a statement after Abraham Kaplan, counsel of New York Fire Insurance Rating Organization, had presented a memorandum. Mr. Kaplan argued that section 3 of the Clayton act is not applicable to insurance and further, even if it is, it is not violated by the filing of Aug. 31 (the credit-debit plan). Section 3 is the provision prohibiting tying-in sales.

**Withdraws Part of Argument**

Mr. Newton indicated he had carefully examined the arguments and facts on which Mr. Kaplan predicated his contentions and said he wished to withdraw that part of his legal argument relating to the prohibition in section 3 as being applicable either to the insurance business or to the Aug. 31 plan.

Mr. Kaplan's arguments convinced Mr. Newton this is a proper course to take. He concluded the prohibition against tying-in sales would not apply to the sale of insurance even on the assumption of general applicability of the Clayton act and specifically would not apply to the changed or discount plan filed Aug. 31. The latter conclusion applies equally to paragraph 4 of section 183 of the New York law which is similar to section 3 of the Clayton act.

However, Mr. Newton said, this does not minimize or alter any of the other of his opening arguments. Here he referred particularly to the arguments that the discount plan is illegal and violates legislative provisions which prohibit unfair price discriminations contained in the Clayton and Robinson-Patman acts and section 183 of the New York law.

Counsel for the appellants put into evidence an exhibit prepared by Multiple Location Service Office on the premiums for this type of business racked up by the companies in 1947. There was subsequent argument as to whether these were written or earned, and T. D. McCarl, manager of M.L.S.O.;

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# A. O. Robinson to Be New Yorkshire U. S. Manager

### Silversides Slated for Managerial Team at Head Office

Alan O. Robinson is to become U. S. manager of Yorkshire March 1. He will succeed H. T. Silversides, who is to become joint general manager with A. D. Gladwin at the home office effective June 30. They will succeed to the position occupied by R. M. Hamilton, who will then be retiring.


H. T. Silversides

Mr. Robinson was educated at New York university and Syracuse university. Before becoming associated with Yorkshire in 1926, he had been with National Bureau of Casualty Underwriters and London Guarantee. He was appointed deputy U. S. manager of Yorkshire last April, previously having been assistant secretary.

Mr. Silversides was named deputy U. S. manager in 1946 and the next


ALAN O. ROBINSON

year became joint U. S. manager and subsequently was placed in full responsibility, succeeding Herbert F. Ellen. He has been with Yorkshire since 1916.

Mr. Gladwin presently is assistant manager at York.

## G. F. Kneip to New Post

Producers Ins. Co. of San Francisco has named Garland E. Kneip assistant secretary. He also becomes office manager and chief accountant of Cal-Union Agencies, underwriting managers of Producers. He has been in the business nearly 30 years. His most recent connection was with National Auto & Casualty. Prior to that time he was chief accountant and office manager on the coast for Springfield F. & M.


**Head table group at luncheon of Passé Club International at Galveston—John A. Lloyd, former Ohio superintendent and now vice-president of Union Central Life; Col. Howard P. Dunham, former Connecticut commissioner and now vice-president of American Surety; Commissioners Bowles of Virginia and Forbes of Michigan.**

## Fifteen Changes In Official Ranks of Aetna Fire

Aetna Fire has made 15 official and departmental changes as of Jan. 1 three senior officers and one assistant manager will retire to the reserve force and 11 executives will be advanced.

George L. Burnham, treasurer and director; Guy E. Beardsley, vice-president and director; P. W. D. Jones, vice-president of the North Carolina department, and W. G. Bayliss, assistant manager of the western department, will retire Jan. 1.

David A. Solly, Jr., assistant treasurer will succeed Mr. Burnham as treasurer.

The New York, western and Pacific departments in the future will be under the supervision of senior elective officers. Ashby E. Bladen, secretary and manager of the New York department, has been advanced to vice-president in charge of that office; Harry M. Mountain, western department manager, has been elected vice-president and manager; and Harold F. Mills, Pacific department manager, has been appointed vice-president and manager at San Francisco.

### Home Office Changes

In the home office, William G. Bates, assistant treasurer, has been appointed financial secretary and assistant manager.

Other promotions include: Ralph H. Learn, assistant manager of the western department, advanced to secretary and assistant manager; Clyde M. Marshall, assistant manager of the Pacific department, elected secretary and assistant manager of that department; and Earl K. Whitney, assistant secretary of Aetna and World F. & M., appointed secretary of Aetna and subsidiary fire companies and manager of the North Carolina department.

Edward B. Craven, assistant manager of the western department has been named counsel and assistant manager of that department.

In the North Carolina department two agency superintendents, Jack E. Smith and John E. Darling, were appointed assistant managers.

Mr. Burnham retires after more than 56 years with Aetna. He has been treasurer for 26 years and a director for 19.

Mr. Beardsley has been an officer for 42 years and a director for 21. A vice-president since 1919, he has been in the fire insurance business for more than 53 years, all but three of which have been with Aetna.

### Fifty Years in Business

Mr. Jones has devoted 50 years to the fire business, of which 36 years have been with the Aetna. He has been an officer since 1924.

Mr. Bayliss started with Aetna in 1918 as special agent in Ohio. He was transferred to Chicago in 1923 and was appointed assistant manager of the western department in 1926.

Mr. Solly was elected assistant treasurer in 1941, four years after joining Aetna. He started as assistant to the treasurer in the investment department.

Mr. Bladen joined Century Indemnity in 1926 as bond department supervisor. He was elected assistant secretary of Century in 1926 and secretary in 1927. Since 1940, when he was transferred from Hartford to New York, he has supervised the casualty and surety business. In 1941 Mr. Bladen was elected secretary of the Aetna, World and Piedmont and in 1942 he was appointed manager of the New York department.

Harry M. Mountain joined Aetna in 1921 at Chicago. After five years in the western department, he was transferred to Indiana as a special agent. In 1937 he became state agent for western Missouri and, three years later, he was appointed Wayne county manager in Detroit. He returned to Chicago in 1944 as assistant manager of the western department and was appointed manager in 1949.

Harold F. Mills succeeded the late F. H. Rhoads as manager of the Pacific department in 1930. He had been assistant manager for seven years. He started with Aetna in 1912 when he represented the company in the mountain and California fields until his appointment as agency superintendent in 1919. Mr. Mills began his insurance career in San Francisco with Pennsylvania Fire in 1898. Later he went with the Pacific department of Phoenix of Brooklyn.

William G. Bates has served as assistant treasurer of the Aetna since 1948. He has been with the investment department since 1947 when he resigned as investment officer of Hartford National Bank & Trust Co.

Ralph H. Learn became assistant manager of the western department in 1934. He was previously an agency supervisor and before that, from 1924 to 1929, he served as special agent in Ohio. He joined Aetna in 1908 as a filing clerk.

### Started as Office Boy

Clyde M. Marshall has been assistant manager of the Pacific department since 1938. From 1935 to 1938 he was superintendent of that department under Manager Harold F. Mills, with supervision over production and special service. Mr. Marshall has spent his entire buisness life with Aetna, beginning as office boy in 1914. He was appointed special agent for northern California and western Nevada in 1924, and in 1927 he was transferred to the southern California and Arizona territory.

Earl K. Whitney has been with Aetna since 1913. He became secretary of the Piedmont Fire in 1942, five years after his promotion from North Carolina special agent to assistant secretary. In 1946 he was named assistant secretary of Aetna and World F. & M.

Edward B. Craven, who has been 25 years with Aetna at Hartford and Chicago offices, became assistant manager of the western department in 1947. In 1927 he joined Century Indemnity as claim adjuster. In 1929 he was appointed manager of the Chicago claim division. From 1924 to 1927 he served as a special agent for Aetna and also as adjuster.

Jack E. Smith joined Aetna at the same office in 1928. He was made special agent in the North Carolina department in 1931 and was appointed agency superintendent in 1946.

John E. Darling joined Aetna in 1936. In 1941 he was appointed special agent in North Carolina. After service in war he returned to the North Carolina department and was appointed agency superintendent.

**George B. Butler, Texas life insurance commissioner and host at Galveston-Houston convention of N.A.I.C.; Newell Johnson, vice-president Minnesota Mutual Life and former Minnesota commissioner, and J. Herbert Graves, Arkansas commissioner, as photographed by H. H. Fuller.**

The Hampden-Hampshire group of **Massachusetts Assn. of Insurance Women** held its Christmas party at Springfield. Employers and field men attended.

## Pa. Fire Enters 125th Year

The year 1950 ushers in the 125th anniversary of Pennsylvania Fire, established Jan. 26, 1825, on Independence Square, Philadelphia, and on the same site ever since. Now under the direction of President George H. Duxbury, it has participated prominently over the years in the development of fire insurance in this country.

Jonathan Smith, founder of Pennsylvania Fire and its first secretary, correctly foresaw that fire insurance would outdistance marine. The company, following approval of its perpetual charter by the legislature, became the second company organized in Pennsylvania to engage in fire insurance exclusively.

Starting with capital of $200,000, subscribed in equal shares by 100 prominent Philadelphia business men, the new enterprise was received with favor by the investing public. By the time the first installment of 10% had been paid in, the stock already commanded a premium of 10% on such cash payments.

The formal opening for business took place April 1, 1825, but prior to that date a limited number of applications, signed by the insured, were entered in an application book.

The first loss was reported June 30, 1825 when under policy No. 22, the company paid $1,350 on a $2,000 policy. Total policyholders' claims paid to date since organization now aggregate more than $133,722,000.

The company grew steadily and only 12 years after starting business survived the panic of 1837. Although its policies were well distributed locally, not until 1867 did it undertake to extend its business through establishing agencies in other states.

It was called upon to pay $550,000 to Boston policyholders in the conflagration of 1872. Pennsylvania Fire, later, also helped to rebuild Baltimore to the extent of $380,000 and San Francisco, $2,950,000.

On the basis of Sept. 30, 1949 market values, the assets were $24,304,593 and surplus to policyholders $10,124,503. The company is entered in all states, District of Columbia, Alaska, and Hawaii.

## Plane Loss May Be Heavy

The TWA Constellation that overshot the mark in landing at Chicago Municipal Airport Sunday and crashed through a fence and came to a halt in the middle of Cicero avenue was insured in Associated Aviation Underwriters. There were no personal injuries. A wing was badly damaged but it has not yet been determined whether serious damage was done to the central part of the plane. There is a possibility that this may be a very heavy physical damage loss.

## Reporting Form Contract Dispute Won by Insurer

St. Paul F. & M. won a clean-cut victory in a decision of U. S. 10th circuit court of appeals involving a loss that exceeded by more than three times the last previous report of values by the assured under a reporting form contract. The case, arising in Georgia, is Camilla Feed Mills vs. St. Paul F. & M.

The assured sought to have the court reform the inventory reported prior to the fire on the ground that the report was made merely on an estimate and that this was not correct. On this, the court said when the assured chose to estimate rather than calculate the amount of the inventory, its mistake was made. Accordingly it assumed the risk of the estimate being wrong, and the amount of recovery is governed by the provisions of the value-reporting clause.

### Last Report Governs

The loss occurred June 10, 1948. The last report of values May 7 gave the figure of $3,000. At that time the true inventory was $9,529. At the time of the fire the values were $10,091.

The assured argued that it had 30 days from May 31 to file a report reflecting the May 31 inventory and that this was done June 24. Here the court observed that this contention conflicts with the express provisions of the policy that in event of loss the liability shall be governed by the last report filed prior to the loss. The period of grace for the filing of reports does not extend to any time after the loss, even though the 30 day grace period has not expired.

### For Insured's Benefit

Also the assured contended that section 56-701 of the Georgia code is violated by the policy provision limiting the liability to that proportion of any loss sustained which the last reported value, filed prior to the loss, bears to the actual value of the inventory on the date for which the report was made.

The statute in question provides that insurers shall pay the full amount of loss sustained upon insured property up to the amount of the policy. The courts have held that this invalidates the three-fourths value clause. However, the court said it seems unreasonable to conclude that the legislature intended to outlaw reporting form contracts. This policy is not an attempt by the insurer to get around the statute. It is one definitely for the benefit of the insured. The latter is asking the court to override its agreement with the insurer, on the ground that the policy of the laws of Georgia prohibited it from entering into such an agreement, and that by virtue of such violation of the law, it is not bound by its agreement. The court said it is impelled to reject this contention.

## Riley Elected President of San Antonio Exchange

San Antonio Insurance Exchange has elected Fred W. Riley president and L. C. Beery, vice-president. F. F. Ludolph was reelected secretary for his 37th year. New directors are Robert E. Sparkman, Abe S. Wolfson and Carl Doss. Frank C. Gittinger was chairman of the nominating committee. The exchange now has 123 members.

Marshall O. Bell, Bexar county member of the Texas legislature talked on "Where Are We Headed?" He spoke of the philosophy which has developed that the government must take care of everybody. He pointed to the fact that the past 10 years of Texas government operation has cost more than the preceding 103 years. He urged the agents to make known to the governor their views on calling the legislature, stating that this not be before Sept. 1.

## Nothing to Investigate, Bonner Opines

WASHINGTON — That there is "nothing to investigate" in connection with wartime insurance operations of the maritime commission and war shipping administration, is the considered opinion of Rep. Bonner, North Carolina, chairman of a special subcommittee of the House merchant marine committee to which charges of Rep. Weichel, Ohio, alleging irregularities in those operations, have been referred.

Mr. Bonner takes the view that his subcommittee need not investigate the matter, on the ground that the wartime insurance operations have been "thoroughly aired." However, he plans to call a meeting of the subcommittee for early January and put the matter up to that body.

**Data to Be Prepared**

In case of decision for a formal investigation, and particularly if hearings are to be held, representatives of government agencies concerned and representatives of the marine industry have been advised by the committee staff to make preparations for presentation of information, views or conclusions.

In advance, or in absence, of an investigation of charges involving wartime insurance operations of the government agencies, however, Mr. Bonner says he believes there should be legislation to prevent loose administration of maritime insurance affairs in future.

In this connection, committee sources referred to such matters as alleged issuance of unnumbered policies to agents which it would be hard to keep track of. Bonner and committee staff members are represented as believing that such matters can be dealt with and guarded against in the new pending bill to authorize the maritime commission to write war risk insurance in peacetime, as a means of protecting American marine underwriters against possible heavy losses in event of sudden outbreak of war.

Meanwhile, observers here were interested in a rumor that a federal agency other than the maritime commission and general accounting office has been studying certain marine insurance activities and may come up with a critical report on the subject. There were suggestions that the Department of Justice, federal trade commission, Commerce Department or internal revenue bureau might be concerned. No confirmation from any of them was obtained.

## Midwestern Makes LePage, Miller Vice-Presidents

T. R. LePage, who has been secretary and assistant treasurer since the company was organized in 1948, has been elected vice-president of Midwestern of Oklahoma City. Mr. LePage will supervise office management and the preparation of operating and financial statistics.

F. H. Miller, state agent of National Fire in Oklahoma, has been elected vice-president in charge of fire insurance. Mr. Miller graduated from University of Oklahoma and served in the last war.

The company's charter has been amended to permit multiple line underwriting and capital has been increased by $150,000.

## Agents Retain City Line

STURGEON BAY, WIS.—Local agents here, assisted by Urban Krier, Milwaukee, executive secretary Wisconsin Assn. of Insurance Agents; William Berry, state agent Continental, and Harvey Girard, state agent Providence-Washington, made a successful bid before the council to retain the city insurance for local agents. Considerable pressure had been put on the alderman to switch to the state fund.

## Subrogation Right Must Be Claimed at or Before Paying Loss—R. I. Decision

To enforce its rights of subrogation, an insurer must make its claim that the fire was caused by the act or neglect of some third party, at or before paying the loss, according to Rhode Island supreme court in Merchants Fire of New York vs. the Hamilton Co.

Merchants paid the Hamilton Co. $143,052 on account of a fire June 18, 1939, involving property at Cranston, R. I.

On June 17, 1943, the Hamilton Co. instituted action against Alexander Keema alleging that he negligently caused the fire, and Merchants Fire asserts that the claim was compromised in 1945, and Merchants asked that whatever was recovered from Keema to the extent of $143,052 be paid over to Merchants. It is the intent and meaning of the policy provisions, according to the court, that the right of the insurer to subrogation is not absolute but is on the condition that it make claim, at or before, the time it pays the loss, that the fire was caused by the act or neglect of some third person. The provision does not appear to be a mere confirmatory restatement of the equitable principles governing subrogation generally, nor does it act to enlarge or increase them. On the contrary its apparent object is to limit and place a condition upon the exercise of such right of subrogation.

## Rumor CCC Cotton Program May Be Changed

WASHINGTON — Insurance observers hear rumors that Commodity Credit Corp. will change its cotton policy next year. Under the program, as yet unconfirmed, it is said CCC would not make loans on the 1950 cotton crop, but instead, will buy such portions of it as may be deemed necessary to sustain the price support program enunciated by Congress. CCC would advance money on the basis of 90% of cotton parity and take title to the commodity, it is rumored.

It would thereupon become a self-insurer, instead of commercial insurance being required on cotton stored in warehouses as collateral security for CCC loans to growers. During the year now expiring, CCC advanced loans on nearly 4 million bales of cotton, on which premiums totaling $2 million or more are estimated to have been paid. When default occurs on such loans, CCC takes over the cotton and becomes a self-insurer.

Insurance on cotton on which CCC has lent money this year will continue in effect until July 31, 1950, after which CCC will take over, self-insure, and try to sell the cotton without too much loss.

## Drysdale, Aubrey Reelected by Committee of Lloyds

Matthew W. Drysdale has been reelected chairman of the Committee of Lloyds, and Sir Stanley Aubrey has been reelected deputy chairman. Mr. Drysdale is one of the leaders in the reinsurance field, and Sir Stanley has been an underwriting member of Lloyds since 1910. He has served as deputy chairman and chairman on many occasions since 1934.

## Mutual Agents for Term Plan

At its annual meeting at Indianapolis, Mutual Insurance Agents Assn. of Indiana approved a resolution favoring installment payment of premiums on term policies. A copy of the resolution was sent to Commissioner Viehmann.

Tom Boyd, La Porte, the president, directed the business meetings. More than 250 attended the banquet at which Eugene Pulliam, Indianapolis "News and Star," spoke.

## Sparkling Rally of Buyers at Chicago

(CONTINUED FROM PAGE 1)

pany that endeavored to negotiate the renewal of a liability policy on a broad and simplified form with, among other things, the provision that "accident" be changed to "occurrence," advertisers' liability be included along with copyright and patent infringement, and subrogated claims on leased properties be covered. Some of these requests were granted, but Mr. Eldridge declared that since it was impossible to secure the complete use of the word occurrence, and since patent and copyright infringement were not included, the situation left much to guesswork. After exerting additional pressure, the buyer was told that state regulations prevented the company from making changes. "Why shouldn't they make the changes they agreed were reasonable?" he asked.

If such is the case, state regulations should be changed, he asserted. It is up to the buyers who spend the money for insurance to see that state regulations protect them and permit the buyer to obtain insurance as needed and desired. In so doing, the buyer is neither berating the insurance company nor belaboring the commissioner.

The time is ripe for making changes that will bring about better and broader policies. The trend, Mr. Eldridge noted, has been observed in marine and casualty and should spread to other lines. The day is past when the buyer must accept such coverages as are offered. If broader coverages are not developed, the current trend toward non-admitted companies and self-insurance will increase to the proportions of an avalanche. He urged the working in concert of the buyer, the agent, the company and the insurance departments, acquainted with the requirements of each. If such is done, the progress of all-risk coverage will be surprisingly fast, he predicted.

Mr. Schindler, although stating that he is a "satisfied customer," urged the adoption of a fire U. & O. deductible similar to that offered by the casualty companies. He mentioned that his company has experienced only an $80,000 average loss per year on fire and boiler use and occupancy on $500 million of value. He added, however, that to be fair, the fire U. & O. rate on steel plants does not produce enough premium to justify much of a reduction for a deductible plan.

Mr. Schindler said his chief problem is the necessity of carrying huge sums of fire and U. & O. to take care of exposures representing only a small fraction of the sum insured. He said that over the past 14 years his company's fire losses have averaged only $21,000 a year, explosion $9,000, windstorm $3,200 and lightning $2,500, an average for fire and E.C. of $36,274 annually.

### Wants Blanket Policy

In the following discussion, Mr. Eldridge asked why state regulations prevent writing blanket policies covering multiple locations in the casualty field. He illustrated his point by noting that a single blanket countrywide liability policy cannot be secured, and while most states approve blanket crime policies. New York will only permit a damage, destruction and disappearance policy and blanket commercial bonds. Mr. McCullough answered that it is news to him that New York will not accept blanket crime coverage. The 3D policy is available, and filings may be presented for other forms. Mr. Harrington added that he knows of no reason why blanket coverages cannot be developed, particularly under multiple line writing powers.

Regulation is dual function, Mr. Harrington said. The states regulate the business, but there is the strong element of self-regulation by the companies. Managements may not wish to jump into a new field hastily. Insurance progress has always been deliberate and founded on the best experience or statistics available.

### Need Broad Base

Chase Smith remarked that while there is nothing in the insurance laws to prevent a company from filing a blanket crime policy, management must conduct the business on a broad average basis. There is need for as much standardization as possible so the company may know in which direction it is headed. If individual filings are made for special risks as a general practice, the insurer will be almost adrift with a multiplicity of forms and no standard basis for its experience. When companies develop a new coverage they must resort to judgment rates and these often are high. The underwriter must take a great deal into account and not commit his company too far. Progress must be orderly and cautious.

Mr. Gallagher interjected to ask why there is an unnatural division of seemingly homogeneous risks. In the crime field there is the loss caused by a member of the public and another caused by employes. Company departments and bureaus often do not permit encroachment as between these distinctions and "stagnation results."

Mr. Smith explained that this is not the general practice any more. No company must belong to a bureau in order to put out a special policy, but getting the basis for component parts of rates is a complicated process. Bureaus can offer a broad basis for each part. It is not insurance law, but pure practical business sense that brings about the

R. B. Gallagher

C. F. J. Harrington

situation of slow progress in developing coverages, Mr. Smith declared.

Mr. Schindler called for a more simplified way of rating comprehensive liability policies. In a large organization, the insurance buyer is up against the problem of devoting many months of work on the part of his engineering and legal departments in compiling information required for rating purposes. He produced 48 pages of questions and statistics to demonstrate his point. He mentioned that steel companies and other large manufacturers have literally thousands of contractual hold-harmless agreements and sidetrack agreements. He added that Mr. Smith had mentioned that if buyers could prepare adequate experience statistics, the insurance companies might have a basis for rating, but 48 pages of experience and statistics on such a multitude of exposures is an uphill job, he observed.

### Intelligent Order Taking the Answer

As to the questionnaire, Mr. Smith emphasized that the insurance company must approach its problems in an intelligent fashion. The Youngstown Sheet & Tube Co. does not just sit back and take an order when the buyer says, "Send me some stuff for a bridge." The steel company must know what it is getting into as must the insurance company. If Youngstown has 4,962 railroad agreements, the insurance underwriter is desirous of knowing what counsel for the railroad and the steel company have been up to.

Mr. Haugh mentioned that most in-

## Canadians Plan for Quebec Rally

**Trio of Canadians that will be hosts at Quebec convention of N.A.I.C. in June, as they appeared at Galveston N.A.I.C. meeting—A. A. Tousaw, Sun Life of Canada, executive secretary of Canadian committee on arrangements; Georges Lafrance, Quebec superintendent and official host, and R. Leighton Foster, manager Canadian Life Insurance Officers Assn. Picture by H. H. Fuller, deputy U. S. manager of Zurich.**

sured buy policies for individual risks, wanting only one or two coverages. When there is a large and extensive operation, there is no blanket plan available. The composite rating plan introduced recently in New York provides for mutual agreement between the company and the insured on a self-rated plan, but in any event, the assured must give a reasonably well-informed story of his exposures. Experience must be given under the composite plan for a three to five year period so that there can be a rate determination basis. Plan D, which always gets a laugh, he observed, also does a good job.

### Premium in Line With Record

Mr. Gallagher posed the problem of a standard manual rate producing $250,000 in premium with losses of only $5,000 annually. Could a rate be worked out commensurate with the losses? he wondered.

Mr. Haugh remarked that this is an extreme example. If the risk is large, the insurer must anticipate losses more than those cited by Mr. Gallagher. A more reasonable case might be that of $250,000 premium and $75,000 in losses, and that record would have considerable weight in rating.

Mr. McCullough mentioned that the composite rating plan in New York applies to all lines except automobile and boiler. The plan does not accomplish a package policy, but should be helpful for the large risks. After experience is gathered, such a plan may offer a solution in developing a package plan.

### Department Position Explained

Mr. Harrington spoke up to delineate some of the problems of state supervision and large risks. The departments, he emphasized, are merely administrative offices and have the duty of carrying out the letter of the law. The large buyer is by far in the minority and his problems should command no more attention than those of the small buyer. Favoritism for the big risk can result in discrimination and higher premiums for the majority of the public, and the department must be on guard against this. Mr. Harrington's remarks were well timed, and served to keep the discussion more in line with the realistic aspects of obtaining benefits for the large risk.

Mr. Eldridge provided a unique illustration of his question as to why the rather simple form of workmen's compensation be so complicated mechanically by state endorsements. Each state practically duplicates the many endorsements covering voluntary workmen's compensation, occupational disease, overtime, blanket classifications, limits of liability and many others, he said, and while he was speaking, his confederates in the balcony unwound a 48-state coverage pasted together in a roll 230 feet long.

### Dual Authority

In most states there is dual workmen's compensation control between the insurance department and the industrial accident boards, Mr. McCullough remarked. With 230 feet to work on, it would appear that there is plenty of room for cutting. However, the problem needs a broad, thorough and analytic study. The buyer must remember that workmen's compensation is not purchased for the employer's benefit, but for a third party, the employe. The various state boards have a voice in the problem and simplification is not an easy matter.

Mr. Gallagher questioned whether a short endorsement might not be employed stating that the policy is to be construed as conforming to the law of each individual state. While this is theoretically possible, Mr. Harrington said that it probably could not be done without legislative action.

Mr. Haugh added that just this situation is under study by the National Council on Workmen's Compensation Insurance, but the entire insurance public must be considered, and by far the great majority of workmen's compensation insured are single state operators who want nothing in the policy that mentions out of state dealings.

The 48 endorsements on workmen's compensation are one way of saying there are 48 states, Mr. Smith declared. Do the buyers want 48 laws, or one? The 48-state plan is the bulwark of freedom and if the large buyers are desirous of tearing down the state individuality, they are helping to create a super-state.

The afternoon session continued the panel idea, but was in the form of questions from the floor. Many of the questions were specific as to particular risks, and could not be answered directly.

Asked if he attributed the increase in insurance profits to the new rating laws, Mr. Smith said he had asked that question of a vice-president of Lumbermen's and got the answer, "Ah-er-um," which he described as an Indian word meaning "You got me, brother." He added that economic conditions undoubtedly have more to do with profits than the laws regulating the business. Workmen's compensation rates, for example, are based on wages and go up and down in a pattern. The war produced an inflated wage rate coupled with a lag in benefit increases. This situation is being corrected presently.

Is it not reasonable to ask insurers to waive subrogation rights? Mr. Smith was asked. This is one of the most perplexing problems that the industry has faced in many years, he replied, and it needs ironing out in a cooperative manner between the buyers and the companies.

Can legal liability insurance be written to cover against subrogation on leased properties? It can legally, Mr. Smith answered, but there are other problems involved. Many such problems have ostensibly simple answers, but their ramifications often make solution difficult.

Why won't the companies agree in writing to an agreed rate of depreciation? Because it doesn't agree with the facts, Mr. Smith answered. To determine possible losses at the time a policy is written might increase the cost of insurance as much as 50%. It would not be satisfactory to the insurer or the insured to adhere to a strict schedule. If the insured wants to go to the expense of determining in advance what his depreciation would be, he probably would not have much trouble with the adjuster on a settlement. However, if this is to be done in every case, the insurance companies would be put to great expense and would have to charge commensurately.

### Countersignature Laws Discussed

What can be done to simplify countersignature laws? Mr. McCullough stated that this is a problem divided into two parts, (1) a requirement of countersignature, and (2) the requirement to pay the resident agents for services (whether rendered or not). The law is a good one, he said, provided there are no administrative obstacles. The state departments are able to keep transactions under their purview so that the large risks cannot run wild.

Is there a general tendency for liability covers to be written on an occurrence basis? There is definite need for the occurrence feature rather than accident. Mr. Haugh stated that some companies have experimented with the occurrence basis on property damage liability with extremely unsatisfactory results.

How about excess fire insurance or a deductible aggregate? Mr. Schindler arose from the audience to say that this is easily handled. The big companies can figure out their losses over the years, decide how much they want to handle and insure the rest. Mr. Smith said that this is all right, but regular fire insurance taking care of the average losses is a big factor in figuring taxes.

Asked to give an example of a loss not covered as an accident, but covered as an occurrence, Mr. Haugh mentioned a chemical process that over a long period has rendered an area of land less valuable.

If a 15 cent rate applies on a coverage of $100,000, does the same rate apply on

(CONTINUED ON PAGE 18)

# North America Names 12 to Higher Rank

Seven officers of North America and Indemnity of North America have been promoted to higher rank and five others have been elevated to assistant secretary.

R. Bruce Miller, marine secretary, H. Richard Heilman, fire secretary, and Charles F. Littlepage, assistant secretary, have been promoted to assistant vice-presidents of the fire companies.

Russell H. Petefish, assistant secretary, Fred C. Clement, Jr., assistant secretary, and John A. Diemand, Jr., assistant reinsurance secretary, have been advanced to fire secretary, automobile secretary and reinsurance secretary respectively of the fire companies.

Francis A. Lewis, Fred W. Koepnick and James H. Chenet have been elected assistant secretaries of the fire companies.

Reginald S. Robins, liability secretary, has been advanced to assistant vice-president of the indemnity company, and Robert S. Gillespie, Ward L. Bloomer and James H. Chenet have been elected assistant secretaries of the indemnity company.

## National Fire Declares Extra Dividend, 5% Bonus

National Fire has declared a special dividend of 50 cents a share on capital stock and will pay a 5% bonus to all salaried employes.

The special dividend, first extra since 1930, is payable Dec. 23 to stock of record Dec. 19. It brings dividend payments for the year to $2.50 against $2 in 1948.

The bonus, also payable Dec. 23, is based on the amount received by salaried employes in 1949, with a limit of $300 to any one person.

## Yankey Gets Wichita Award

Paul C. Yankey, Jr., was awarded the Victor G. Henry cup at the Christmas party of Wichita Assn. of Insurance Agents. The presentation was made by Vice-president Joe Moddrell. The cup goes each year to the member who has contributed most during the year for the advancement of insurance in Wichita. Mr. Yankey received the award for his part as general chairman of the Insurance Executives and Buyers Conference held during Fire Prevention Week.

### Ohio Subrogation Action

COLUMBUS—The Bonded Scale & Machine Co. and a number of fire insurance companies have filed suit here for $367,000 against American District Telegraph Co. A fire occurred in the company's plant two years ago. ADT had installed a fire alarm system about two weeks before the fire and it is said that the system failed to work when the fire broke out. The losses have been paid by the insurance companies.

Nettie Cooper of the J. Logan Gover agency at Mattoon, Ill., announces that next June 1 she will have completed 40 years in the local agency business and at that time she intends to retire. She is very well known to field men traveling that territory.

E. H. Hedges at the end of the year will be completing 25 years in the service of the Hugo Dalmar & Co. agency of Chicago. Since 1930 he has been its treasurer. He was with the old Standard Trust Co. of Chicago before entering the insurance field. A son, R. E. Hedges, is marine special agent at Omaha for National Union.

# Cincinnati Agents Attack Auto Rates

Cincinnati Fire Underwriters Assn. at its monthly luncheon meeting last week denounced the recent rate filings of National Automobile Underwriters Assn., which amount to an increase in most material damage premiums in that area, particularly on older automobiles. A resolution urging N.A.U.A. to reconsider its stand and meet competition before the interest of the member companies and their agents is impaired passed unanimously, with copies to be distributed to each office to be sent to the companies. The new rates were particularly resented because American Automobile and Ohio Bureau of Casualty Insurers—which includes most of the Ohio stock companies—made material damage rate reductions at the same time.

President Arthur M. O'Connell distributed an analysis of the figures on which these contradictory filings were made. He pointed out that the N.A.U.A. supporting data was based on experience from June 30, 1946, to June 30, 1948, while the others were based on experience for the calendar years of 1947 and 1948, which was materially better generally. He also maintained that the trend figures used by N.A.U.A. for the balance of 1948 and the first half of 1949 assumed a higher loss ratio than actually happened. The Cincinnati increase in N.A.U.A. filings was caused primarily by moving Cincinnati into a higher rated territory. Most non-bureau carriers have indicated that they will retain the old manual classifications and territories.

### Question on Finance Business

The question was raised whether finance business had any bearing on N.A.U.A. experience, but Mr. O'Connell said that this is impossible to determine from insurance department filings. Virtually every member office of the Cincinnati Board has maintained that the experience of its business written with N.A.U.A. companies does not warrant a rate increase and local insurance company offices were quoted to the effect that their loss ratios have been materially below those cited by N.A.U.A. in its filings.

J. C. O'Connor, editor "Fire, Casualty and Surety Bulletins" and associate editor of THE NATIONAL UNDERWRITER, reviewed insurance developments in 1949. He said that the partial settlement of the interstate fire insurance rating controversy may turn out to be more significant than many insurance men realize, since it eliminated a potent invitation to federal supervision of insurance. He also discussed the passage of non-occupational disability benefit laws in a number of states and said that the ability of the private insurance business to meet the demand for this coverage may indicate the future of private insurance. He urged Ohio insurance men to be ready to fight for permitting private carriers to handle this business at the option of the employer when such legislation is introduced in Ohio, as it undoubtedly will be before long. So far, he said, such legislation has not been introduced in any state which has a monopolistic workmen's compensation plan, so Ohio might become an important battle ground should it be the first such state to consider this type of legislation.

### Dayton Men Present

Carl Burns, president, and Oscar Olt, representing Dayton Fire & Casualty Underwriters, attended the meeting and took a bow. Mr. Burns said that the automobile material damage rate situation in Dayton is substantially the same as in Cincinnati and that he and his fellow members were grateful to the Cincinnati Board for providing such a thorough study of the situation. L. E. Kietzman, Newark, secretary American, was also introduced. There was an overflow crowd, including several nonmember agents who had been invited to hear the automobile rate discussion, and a number of people were compelled to eat elsewhere and return for the meeting.

Past President G. B. Maggini was appointed chairman of the nominating committee, which includes Theodore Safford and G. B. Wilson, both past presidents; George Guckenberger and Herman Schottenfels. R. C. Betz, cochairman of the program committee, introduced Mr. O'Connor.

## J. B. Andrews Assistant Head in West of American

American has appointed J. B. Andrews as assistant manager of the western department.

Mr. Andrews is the senior employe of the department, having been with the group since 1907. During that period he served as examiner in the survey department, then as head of the survey and special risk and service departments, later becoming manager of the fire underwriting department. In 1947 his title was changed to superintendent of agencies.

He will continue his supervision of the underwriting, and in addition will specialize in servicing the larger agencies.

Assistant Managers John G. McFarland and William G. Soderstrom will continue in their present capacities.

## Far West Conference Is Set for April 17-18 at S. F.

The Far West Agents Conference is to be held at the St. Francis hotel, San Francisco, April 17-18, it was decided by the directors of California Assn. of Insurance Agents at a meeting at Fresno.

The 1950 state convention is to be held Oct. 23-25 at San Francisco with headquarters at the Mark Hopkins and Fairmont hotels, and with Marin County Assn. of Insurance Agents as hosts.

The spring series of regional meetings, to be held in 28 places, will get under way in late January and continue well into February.

The minimum goal for this year is a membership of 2,500.

An effort will be made to set up a meeting in early January with the contact committee of Pacific Board.

The institute for advanced agency management next summer will probably be given at Stanford University.

The next meeting of the directors will be early in March at Bakersfield.

## Henderson Agency Sold

Fred G. Vogel, judge of Henderson county, has purchased the interest of the late Henry A. Taylor in Starr & Thompson agency, Henderson, Ky. A. P. Sights, city commissioner of Henderson, has bought the interest of Roy M. Taylor. They will continue the agency under the old name.

## New Southeast Mo. Officers

SIKESTON, MO.—New officers of Southeast Missouri Assn. of Insurance Agents are: President, Joseph A. Leslie, Sikeston; vice-president, James V. Corrigan, Poplar Bluff, and secretary, Joseph Webb, East Prairie.

# Bisson Gives Reassurance as to R.I. Condition

### Home State Official Says Audit Produces Only Small Surplus Cut

Commissioner Bisson of Rhode Island has issued the following statement regarding the condition of Rhode Island Ins. Co.:

An examination into the affairs and financial status of the Rhode Island Ins. Co. was undertaken by four states in the summer of 1948.

An interim report on this examination was rendered in the early spring of 1949, and in May, 1949, a convention type examination was started in which nine examiners representing the six zones of the National Assn. of Insurance Commissioners participated.

This examination has now been completed but technical difficulties inherent in the conflicting laws of the various states, particularly as regards admissibility of reinsurance, have momentarily caused delay in releasing a consolidated report.

In view of this inevitable delay, and realizing that the Rhode Island's policyholders are primarily interested in the financial condition of the company, the insurance department of the state of Rhode Island wishes it known that the convention examination has disclosed that as of the date of the examination, Dec. 31, 1948, the assets of the Rhode Island Ins. Co. were $10,480,700 and the policyholders' surplus $1,931,799.82 (i. e., $93,917 less than shown by the company's published annual report).

This change in surplus was after the establishment of additional reserves and after the elimination by the company and/or the examiners of non-admitted assets totaling $76,727.

The examination did not officially go into 1949 affairs and the above mentioned figures do not show 1949 adjustments, but in view of substantial changes in reinsurance and of sizable inter-company settlements made in 1949, the examiners studied the maximum adverse effect upon the company of such changes and settlements, they concluded that the company would still have a substantial surplus even if there was considered only the possible increase in liability without any study of offsetting gains.

The technical conflicts in the state laws are being reconciled and the completed report will be issued. Meanwhile the insurance department of the state of Rhode Island will be glad to answer any queries as to pertinent facts as disclosed by said report.

## November Fire Losses Up .8% to $53,116,000

Fire losses in the United States during November totalled $53,116,000, an increase of 8.6% over October, but only .8% higher than losses of $52,949,000 reported in November, 1948, according to estimates of the National Board.

Total destruction by fire for the first 11 months of 1949 is $600,257,000, compared with $641,717,000 for the same period last year, a decline of 6.4%.

Fire losses for the 12 months ending November 30 are estimated at $699,654,000, as compared with $710,078,000 for the similar period ending in 1948, a decrease of 5.6%.

By months for 1949 and the two preceding years, losses are:

| | 1949 $ | 1948 $ | 1947 $ |
|---|---|---|---|
| Jan. ... | 57,826,000 | 63,010,000 | 57,180,000 |
| Feb. ... | 62,424,000 | 72,521,000 | 64,247,000 |
| Mar. ... | 67,218,000 | 74,236,000 | 72,435,000 |
| April .. | 55,290,000 | 63,751,000 | 68,029,000 |
| May ... | 54,162,000 | 59,256,000 | 56,545,000 |
| June ... | 51,787,000 | 43,706,000 | 50,840,000 |
| July ... | 49,592,000 | 50,955,000 | 49,357,000 |
| Aug. .. | 50,150,000 | 49,543,000 | 51,359,000 |
| Sept. .. | 49,678,000 | 49,945,000 | 47,990,000 |
| Oct. ... | 48,914,000 | 51,845,000 | 54,946,000 |
| Nov. ... | 53,116,000 | 52,949,000 | 51,346,000 |
| | 600,257,000 | 641,717,000 | 624,274,000 |

### Plan Metropolitan Agents Conference at St. Louis

ST. LOUIS—W. M. Sheldon of W. A. Alexander & Co., Chicago, will serve as chairman of the Metropolitan agents conference to be held here March 26 in conjunction with the midwest territorial conference of National Assn. of Insurance Agents March 27-30.

This conference will be open to all agents, regardless of the size of their home community, who are interested in writing interstate business.

Other features of the midwest territorial conference will include a forum on agency expense, the rural agents breakfast and business session; accident prevention meeting, a fire safety meeting, a forum on technical problems and a general session.

### Delay in Fla. Decision on Installment Plans Expected

A decision by the Leon county, Fla. circuit court on the legality of installment payment of term coverage is not expected for some time. Florida Inspection & Rating Bureau has filed objections to the legal intervention of agents in the present conflict between it and Commissioner Larson, although it does not object to agents being heard.

The possible legal steps in the way of a prompt settlement are those to determine if the agents should be allowed to intervene and if so the status they will have and the question of the court's jurisdiction, followed by the setting of a date for arguing the case. The accumulation of experience data on the plan is also expected to take considerable time. The study of the methods of payment may involve banks and other financial institutions.

### Pa. R. R. Makes Change

Edwin B. DeVilbiss, manager of Pennsylvania Railroad insurance department at Philadelphia, has retired after more than 41 years of railroad service. He is succeeded by O. D. Moore, assistant manager of the department since 1943, who has had 38 years of railroad experience, all in the insurance department, where he started as a clerk. He attended the University of Pennsylvania.

Mr. DeVilbiss has been insurance manager since 1934.

F. H. Keller, chief clerk to the vice-president in charge of purchases, stores and insurance, will succeed Mr. Moore as assistant manager.

### Cheek to Be Candidate

Commissioner Check of North Carolina has announced that he will be a candidate for election next year for the last two years of the term to which he was appointed last June.

He is a lawyer and was practicing law and running an insurance business in Asheboro at the time of his appointment. He had represented Connecticut Mutual Life for 10 years and also handled fire and casualty lines.

# AS SEEN FROM CHICAGO

**ADJUSTERS HONOR MUNN**

Signal honor was paid to Clarke J. Munn, who is retiring Dec. 31 as manager of Cook County Loss Adjustment Bureau, at a dinner and cocktail party given by Adjusters Assn. of Chicago, with more than 200 in attendance.

C. J. Peck of Wagner & Glidden, chairman of the committee which arranged the affair, presided. After a radio master of ceremonies had presented considerably embellished biographies of Mr. Munn and A. Ben Jones, who will succeed him, K. C. White, Underwriters Adjusting, association president, presented the guest of honor an inscribed wrist watch on behalf of the organization. In his response, Mr. Munn expressed his appreciation of the honor paid him and of his associations with members of the group. Mr. Jones paid high tribute to the man whom he succeeds. A. B. Kilburg, assistant manager of the Cook County Bureau, who has been closely associated with Mr. Munn for 17 years, and E. E. Munn, loss superintendent of Marsh & McLennan, son of the honor guest, also spoke briefly.

**MOORE, CASE HONORS VETERANS**

Watches were awarded five employes of Moore, Case, Lyman & Hubbard, Chicago, at the 90th anniversary banquet. The employes and their terms of service were W. F. Langille, 45 years; E. A. Schultz, 44; Haywood Stewart, 37; Miss Clara Stenbom, 35; and W. W. Ritchie, 31. H. E. Knight, a partner, heads the list with 47 years of service, and other firm members who were honored included S. A. Rothermel, 30 years; F. S. Coffin, 25 years, and J. K. Walker, 20 years. Service pins were awarded to 10 employes with 15 to 20 years of service, seven with 20 to 25 and four with 25 to 30 years' service.

**ENGER, BARNETT OPEN HOUSE**

The Enger, Barnett & Hurwith agency is holding an open house on Dec. 22 in its recently purchased building at 533 South Dearborn street, Chicago.

**NEOPHYTES ARE ROASTED**

The annual joust and tournament of Knights of the Round Table of Union League Club, Chicago, which is comprised of fire insurance men that have a table reserved throughout the year, was held Saturday with 32 present. As usual, there was a clever gridiron type of skit that had been prepared by Russell D. Hobbs, general manager, and R. E. Vernor, head of the fire prevention department of Western Actuarial Bureau. This was aimed at giving the neophytes a bad time to the delight of the knights and esquires.

The neophytes are John McGregor of Underwriters Salvage Co., C. E. Dox of London & Lancashire; Harry Mountain, Aetna Fire; W. E. Newcomb, Great American, and Paul Barr, Hanover.

Advanced from esquire to knight were Hayes McKinney, Chicago fire insurance lawyer; W. S. Whitford, Millers National and C. M. Cartwright of THE NATIONAL UNDERWRITER in absentia.

A. F. Powrie of Fire Association continues as president. C. W. Ohlsen, Sun, was elected vice-president to take the place left vacant by the death of S. M. Buck, Great American. Clarke Munn, retired manager of Cook County Loss Adjustment Bureau, is scribe; J. J. Hubbell, National Inspection Co., chaplain, and Mr. Hobbs is chairman of the entertainment committee.

**BUCKEYE CLUB DINNER**

The annual dinner gathering of Chicago Buckeye Club, which consists of Chicago fire insurance men with an Ohio background, is to be held at the Bismarck hotel Jan. 31. The group now comprises about 65 ex-Ohioans in Chicago. It is understood that plans are under way for a similar organization at New York.

J. Homer Burlingame of Western Adjustment is president of Chicago Buckeye Club and T. J. Ocasek of Rollins, Burdick, Hunter Co. is secretary.

**Martini-Miller, Inc.**, held an open house in their new quarters at A-445 Insurance Exchange building.

## Dinner for Ga. Congressman

ATLANTA—Congressman James C. Davis of the fifth Georgia district was given a testimonial dinner here by Atlanta Assn. of Insurance Agents. Prominent guests included Commissioner Cravey, E. M. Ransom, president, and W. W. Sampson, manager of Southeastern Underwriters Assn.; Roy G. Bachman, general agent southern department, General Adjustment Bureau; E. H. Brooks, president Fire Insurance Fieldmen's Club of Georgia; E. H. Dennington, manager Georgia Inspection & Rating Bureau, and A. G. Trundle, president Atlanta Casualty & Surety Assn.

## Offer Course at L. A.

LOS ANGELES—University of California extension division will give a three months course in general insurance here with Walter W. Bennett as instructor, aided by lectures by insurance men. It is divided into two parts, one for property, running from Feb. 7 to March 21, and the other for life and disability, from March 23 to May 9.

# NEW YORK

**SILVER CLUB ROUNDUP**

Earl D. Patton, U. S. manager of Northern Assurance, was host to the company's Silver Club. Mr. Patton, also a member of the club, paid tribute to the members who so loyally stood by and so willingly shouldered extra responsibilities during the war years.

The club is composed of those who have been with the company 25 years or longer. Seven new members were formally admitted to membership, bringing the total to 49.

Milton Stickel succeeds Torrens J. Kynes as president, and Miss Cora D. Mueller succeeds Herbert Burleigh as secretary.

**GLEE CLUB PROGRAM**

Royal-Liverpool glee club is presenting a program of Christmas music Friday morning. Beginning at 9:30 on the street floor at 150 William street, New York, the group will repeat the selections on the 18th and 16th floors. From 11 to 11:30, the music will be broadcast throughout the building and in the streets of the surrounding area.

Directed by George A. Bernard and accompanied by R. C. Ratcliffe, the 65 voice mixed chorus is composed of staff members.

**G.A.B. CHANGES**

George H. Hall, manager of the General Adjustment Bureau branch at Jamaica, N. Y., has been designated general adjuster and branch manager; Charles F. Hargrett has been transferred to Hempstead as manager and William G. Hall, Jr., has been appointed manager of the Bronx office to succeed Mr. Hargrett.

**HOME'S CHRISTMAS DISPLAY**

Home, in this holiday season, is displaying in its New York uptown office windows some extraordinary and historical pictures surrounding the life of the author of the Christmas poem "A Visit from St. Nicholas," better known by its opening words of "'Twas the Night Before Christmas."

The author was Clement C. Moore and a reproduction of his mansion that was located near the Hudson river just south of 23rd street, is on display at the Home's uptown office. The poem was published anonymously in the Troy "Sentinel" in 1823 and not until 1838 did it become generally known that Moore was the author. Photographs of the author, his family, home, friends and old landmarks of New York City are also in the display. These were taken by Moore's cousin, Nathaniel Moore, who was president of Columbia college from 1842 to 1849. Incidentally, Moore's father was also a president of Columbia.

**CASUALTY UNITS ADMITTED**

Employers Liability and American Employers have been elected members of New York Fire Insurance Exchange.

S. T. Skirrow of Great American has been appointed chairman of the nominating committee.

**OBERMAN IS PRESIDENT**

Samuel Oberman has been elected president of General Brokers Assn. of Metropolitan District at New York. Andrew H. Boardman is first vice-president; Jack A. Fink, second vice-president; Russell Wittpenn, third vice-president and J. F. Conroy, secretary.

# COMPANIES

## Taliaferro Retiring, Scott Elected V.-P. of N. Y. Underwriters

T. C. Taliaferro, vice-president of New York Underwriters since 1941, is retiring. Coincidentally, F. R. Scott has been elected vice-president and secretary.

Mr. Taliaferro joined New York Underwriters in 1920 in charge of the Atlanta branch of the special risk department. He is an engineering graduate of Virginia Military Institute and before joining New York Underwriters, was an engineer with Southeastern Underwriters Assn. He went to the home office of New York Underwriters as assistant secretary in 1928 and was elected secretary in 1937.

Mr. Scott started with the company in 1910 and was elected assistant secretary in 1928. He was promoted to senior secretary in 1937. His experience covers accounting, personnel and office management. He is a past president of Insurance Accountants Assn.

## G. H. von der Leith, Phoenix Veteran, Retiring Dec. 31

George H. von der Lieth, assistant secretary of the fire companies of Phoenix-London group, is retiring Dec. 31 after 36 years of service.

Mr. von der Lieth entered the business with North British in 1908, joining Phoenix in 1913 as an examiner. In 1918 he was appointed superintendent of the improved risks department, serving in that capacity until 1938 when he was named assistant secretary.

He has been active in Sprinkler Leakage Conference, Explosion Conference and Eastern Tornado Assn., and is past chairman and charter member of Conference of Special Risk Underwriters. Mr. von der Lieth was given a luncheon Tuesday by his friends in the organization.

## Plans of New Cal. Insurer

Mid-Century Ins. Co., being organized in Los Angeles by the Farmers group, has applied for a permit to sell 35,000 shares of $10 par value stock at $17.50, to net the company $612,500, of which $350,000 will be capital and $262,500 surplus.

The entire stock issue is to be sold to the attorneys-in-fact of the three reciprocals composing the group. It is chartered as a multiple line insurer and it is understood that at the start at least it will concentrate on reinsurance for the three interinsurers.

President is T. E. Leavey; secretary, Maurice E. Pew.

## Camden Declares Extra

Camden Fire has declared a special dividend of 15 cents a share in addition to the regular semi-annual dividend of 50 cents.

## American Fetes Veterans

American gave a testimonial luncheon at Newark to the home office and New England members of the employes' Quarter-Century Group. Forty members of the group, which has a total of 81 members nationwide, were in attendance, including President Paul B. Sommers and Vice-president B. C. Vitt and Richard G. Guthrie. Harry W. Melville, marine vice-president, served as toastmaster.

Each member was presented with a handsome gift of his or her choice. Similar luncheons will be held in North Carolina, Illinois and California for the other 25 year employes.

# NEWS OF FIELD MEN

## Fire Assn. Names Trieglaff in Neb.

Edwin A. Trieglaff, Michigan special agent for Fire Association, has been transferred to Nebraska to take over the territory formerly handled in that state by the Reynolds general agency. Mr. Trieglaff will have headquarters at Omaha. He has been in the Michigan field for two years and before that was in the western department offices at Chicago.

### O'Banion, Blanch in Coast Changes of Fire Assn.

Fire Association has transferred Kenneth J. O'Banion, special agent at Spokane, to California, in charge of the Sacramento valley territory. Except for time out during the war, Mr. O'Banion has been in the business for 10 years.

Robert C. Blanch has been appointed special agent to succeed Mr. O'Banion at Spokane. He has been in charge of the northwest underwriting department for Fire Association since leaving the service in 1945. His headquarters will be in the Washington Trust building, Spokane, for supervision over eastern Washington and northern Idaho.

### Syracuse Field Club Elects

Syracuse Field Club has elected Fred P. Mersinger, Home, president. The club will celebrate its 25th anniversary Jan. 7. David S. Rounds, Aetna Fire, is vice-president; Pat W. Haley, Agricultural, secretary, and Eugene Castle, Fidelity & Guaranty, treasurer.

Anniversary program chairman is William Schaefer, Commercial Union.

### Springfield Shifts in South

Springfield F. & M. has named James C. Lowry special agent in Mississippi and transferred Special Agent Charles A. Rudd from Nashville to Knoxville.

Mr. Lowry will supervise the territory formerly handled by Special Agent Parker A. Wiggins, who will confine his field to Louisiana. Mr. Lowry, a native of Mississippi, was educated there, spent two years in the air force and has been with Mississippi Rating Bureau. His headquarters will be at Jackson. Mr. Rudd has been with the company a year. After army service he was with Kentucky Inspection Bureau three years.

### M. A. Olson Advanced

Merrill A. Olson, special agent for the Phoenix-London group at Los Angeles has been promoted to assistant manager there, effective Jan. 1. He joined the group at San Francisco in 1938, later was special agent at Stockton and Sacramento, and then was transferred to Los Angeles. He will assist Manager Raymond Needham and will continue in charge of field work, assisted by L. Frank White.

### Brown Named in Va.

Fireman's Fund has appointed F. Kimball Brown as special agent in Virginia, assisting J. A. Hodges, Jr. His headquarters will be at Richmond.

Mr. Brown attended Mississippi State University and immediately after graduation joined Fireman's Fund.

### Lange Speaks at Toledo

Roland H. Lange, Hartford Fire state agent and director of the public relations committee in Michigan, addressed the Maumee Valley puddle of Ohio Blue Goose at Toledo.

### Honor Retiring Field Men

At the Christmas dinner-dance of Oklahoma Blue Goose, with 116 in attendance, testimonials were presented to Rex W. Kendall, state agent of American, and A. B. Stewart, state agent of Providence Washington, who are retiring.

Speakers were Carl Edwards, manager of General Adjustment Bureau, and Haskell Askew, independent adjuster. The guests of honor and their wives also were presented sterling silver candleholders.

### Barrett to Boston in Pa.

Richard W. Barrett has been named special agent in western Pennsylvania for Boston, associated with William T. Bode, and with headquarters at the Pittsburgh service office in the Arrott building. It is the intention to divide the western Pennsylvania field and give each man supervision of his own section.

Mr. Barrett attended business college at St. Paul. He started in 1938 with St. Paul F. & M., and after serving in the war, returned to that company. He has been special agent for St. Paul at Pittsburgh.

### Leavitt Named to Hail Post

Gordon E. Leavitt has been appointed special agent for the hail department of Home in Illinois, with headquarters at Peoria. Mr. Leavitt has been a trainee at Chicago office since August.

### Smoke & Cinder Club Elects

At the annual meeting of Smoke & Cinder Club of Western Pennsylvania at Pittsburgh, the following officers were elected for 1950: President, C. M. Berlin, America Fore; vice-president, L. H. Larson, Providence Washington; secretary, G. C. Waters, Agricultural; treasurer, J. J. Such, Automobile.

### Charnock to Hanover

Richard D. Charnock has been appointed special agent for Hanover in eastern Massachusetts and Rhode Island with headquarters at 60 Congress street, Boston. He is a graduate of Northeastern University and has been in the insurance business except for his period of military service.

### To Inspect Bryan, Tex.

Houston Field Club will inspect Bryan, Tex., April 4-6. Ben Doherty, Commercial Union, is head of the town inspection committee and Joe E. Vincent, local agent of Bryan, is general chairman for the project. Bryan has received a fire rate penalty of 15% for the last three years on all policies within its limits.

The Christmas party of **New Jersey Insurance Field Men's Assn.** at Newark this week featured a talk by Leon A. Watson, general manager of Fire Insurance Rating Organization of New Jersey.

The **San Francisco Blue Goose** held its annual Christmas luncheon Monday and heard musical selections by Olympic Club Glee Club.

### Grays Harbor Assn. Elects

Grays Harbor County (Wash.) Insurance Agents Assn. elected these at a meeting at Aberdeen: John Yearout, Aberdeen, president; Mrs. Ann Haynes, vice-president; E. Eklund, secretary.

# EDITORIAL COMMENT

## *The Insurance Family at Christmas*

At this joyous season of the year when family ties are tightened, friendships intensified, and spirits enriched, THE NATIONAL UNDERWRITER desires to take the mystical liberty of looking on all those within reach of its columns as members of our family, to transcend the printed word, and in home and office to extend a warm handclasp to those who share the common satisfactions of insurance activity, who face common problems, and who enjoy the common inspiration that is found in carrying on this great beneficent enterprise.

There is no business that is so intimately concerned with human problems and human values as insurance and this being the time of the year when the human heart is exalted, it is the time for insurance practitioners to thrill to the comradeship of their calling. Insofar as THE NATIONAL UNDERWRITER forms a bond between the men and women of insurance we offer our own and, in behalf of our entire family of readers, reciprocal wishes among you all for a joyous, serene, and bountiful Christmas weekend.

## *It Doesn't Sound as Goofy as We'd Like*

One thing that should never be overlooked in the intensifying struggle to promote nationalized medical care insurance is that for all its defects, the British socialized medical plan has wide adherence in England and despite some of the silly incidents that can be charged to it can be made to sound very plausible in a serious discussion.

For example, when Sir George Maddex, government actuary and president of the Institute of Actuaries of Great Britain, discussed the British health service program at the recent annual meeting of the Society of Actuaries at White Sulphur Springs, W. Va., it did not sound like a visionary, outlandish type of scheme that was on the point of breaking down from sheer over-complexity. Sir George said it was unfair to consider the cost to date as indicative of the long-term cost and pointed out that the program has been dealing with unusual circumstances and, of course, a long pent-up demand for services. He conceded that there do exist in the system some minor abuses. He believes that some of these will disappear by themselves while the others will call for administrative action.

The disturbing aspect, from an American point of view, about such a talk as Sir George's is that the very fact that it was so temperate and so free from any attempt to "sell" the British system here shows the innate appeal of nationalized medical care services and indicates the intelligent, purposeful and industrious effort that will be required in this country if a similar plan is to be stopped before it gains too much momentum.

Nationalized health insurance is a hussy of high-powered allure. It won't do to rely on mere logic to dissuade her potential victims.

# PERSONAL SIDE OF THE BUSINESS

**Arthur M. O'Connell**, president of Cincinnati Fire Underwriters Assn., talked on problems of the insurance industry before Cincinnati Assn. of Credit Men.

**Zean Gassmann**, local agent at Olney, Ill., was presented with an honorary life membership in Olney Lodge 926, B. P. O. Elks. Award of the membership, for "distinguished service to the order," was the first in the 46-year history of the lodge. Mr. Gassmann served continuously as an officer of the lodge from 1920 to 1940 and was district deputy grand exalted ruler in 1940-41.

**Orville S. Morse**, local agent at Janesville, Wis., one of the founders and early officers of Wisconsin Assn. of Insurance Agents, was honored at a luncheon given by Hartford in recognition of 50 years representation. E. S. Whitcombe, Chicago, assistant western manager, presented Mr. Morse a wrist watch. Mr. Morse entered insurance in 1894 as representative of St. Paul F. & M. He later became a partner in the Carter & Hazelton agency at Janesville which he and his son now operate. Mr. Morse has represented Phoenix for 52 years, and Fidelity-Phenix for 50 years. At 82, he is still active in the agency.

The Miami "Herald" the other day featured **Miss Marie Smith**, owner and manager of Safety Insurors Agency, Inc., in its "Women at Work" column. She moved to Miami from England in 1925 with her family and while attending business college, secured a place with Florida Inspection & Rating Bureau. She continued in the insurance business, finding it interesting and stimulating. She later went with the Lawrence Romfh Agency and in 1946 purchased the business.

**Harold L. Todd**, special agent for Loyalty group at Rockford, has sent out a ticket to the "double feature premier" of twin girls into his family. According to the ducat, Judith Ann and Janet Lee Todd weighed in at close to five pounds.

**S. B. Komaiko**, Chicago local agent, is making a trip to Israel.

**Charles P. Jervey**, vice-president of Travelers Fire, was approached by members of the Hartford city council to see if he would accept an appointment on the school board if it were given him. Mr. Jervey was quoted as saying that he would have to decline the nomination because in his business he is required to leave the city frequently and often without previous notice. He voiced the belief that anyone who goes on the board ought to be there for every meeting.

**Robert P. Butts**, Springfield and Chicago agent, has been named chairman of the campaign which will run Feb. 1-28 for the Illinois Heart Assn.

**Raymond D. Parker**, president of Parker-Allston Associates, insurance advertising agency, was general chairman of the dinner at New York where the Heiman Trophy which is awarded to the outstanding collegiate football player, went to Leon Hart of Notre Dame. Among the events planned for Mr. Hart's benefit was a private mass and breakfast at the residence of Cardinal Spellman. Mr. Parker was also the recipient of a medal and book from the cardinal.

**J. A. Bogardus**, president of Atlantic Mutual, has been named chairman of the general insurance division of the 1950 New York heart campaign.

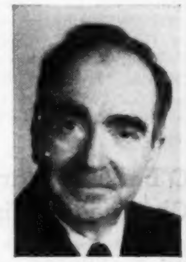
**George W. Booth**, chief engineer of the National Board for 39 years, who is retiring Dec. 1, is a recognized authority on water supply systems. Early in his career, Mr. Booth made a special study of New York City's water distribution system and discovered several examples of heavy wastage. He recommended installation of water meters as a means of preventing water supply crises in New York and other large cities and has repeated that recommendation recently as New York's water supply shows signs of diminishing.

A graduate of Worcester Polytechnic Institute, Mr. Booth worked with the Massachusetts board of health and Massachusetts metropolitan water board before joining the National Board in 1904. Under his direction, the activities of the engineering department of the board have been greatly expanded and it now inspects 460 cities periodically.

# DEATHS

**Oliver Campeau**, 60, founder of the Campeau, Mullally & Meier agency, Muskegon, Mich., died following an operation Dec. 6. He had been in ill health for more than three years. A past president of Muskegon Assn. of Insurance Agents, Mr. Campeau entered the business in Traverse City, extending his operations later to Manistee. He later established an office in Grand Rapids. He went to Muskegon in 1913. Martin Mullally, who subsequently served two terms as state association president, joined the agency in 1923.

**W. Emmert Swigart**, 66, prominent Huntingdon, Pa., general agent and a leader in the affairs of National Assn. of Mutual Insurance Agents, died of a heart attack at his home.



W. E. Swigart

Mr. Swigart was president of Swigart Associates general agency, and also was president of Mutual Casualty, Mutual Benefit Fire and Select Risks Mutual Fire. He was a director of a number of insurance companies.

In 1945 he was elected president of National Assn. of Mutual Insurance Agents, and two years later he helped organize and was elected first president of National Assn. of Mutual General Agents.

Mr. Swigart was a noted collector of antique automobiles and early American items. His collection of old fire marks was considered one of the largest in the country, and in 1946 he published a booklet on that subject. He recently built a museum to house his old car collection and to serve as a show place for his other items, including antique glass and an array of state auto license plates.

**Mrs. E. F. Hildebrand**, 77, mother of Waldo O. Hildebrand, secretary-manager Michigan Assn. of Insurance Agents, died at Saginaw. Many insurance people attended the funeral.

**T. C. Autrey**, 56, past president of the Asheville Insurance Agents Exchange, died suddenly in a hospital there. He was president of Autrey-Smathers agency and active in civic circles.

**Ed Van Steenberg**, 71, local agent at Hildreth, Neb., died there. For the last 12 years of his life he was forced to rely on a wheel chair for locomotion. He lost one leg in 1910 and the other 12 years ago.

**Burt Stoner, Jr.**, local agent at Massillon, O., is dead.

**George Vann**, 58, with the San Antonio office of General Adjustment Bureau for 10 years, died suddenly.

**E. S. Joseph**, 69, former deputy insurance commissioner of Pennsylvania, died at his home at Harrisburg. Mr. Joseph had operated a general insurance agency there for about 35 years.

**C. B. Kissinger**, 58, manager at Winchester, Ky., for Kentucky Central Life & Accident, died there.

**William Thompson**, 87, noted Texas insurance and civil lawyer, died at Dallas Tuesday. He headed the firm of Thompson, Knight, Harris, Wright, Weisberg & Simmons.

**Roscoe P. Elliott**, 53, local agent of Greentown, Ind., died from injuries when he was pinned between the bumpers of two cars.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## North Star Re at 25-Year Mark

North Star Reinsurance, fire affiliate of General Reinsurance and the country's second largest professional fire reinsurer in terms of net premiums written, will reach its 25th anniversary in January. Edward G. Lowry, Jr., is president of both companies.

Originally incorporated by a group of prominent New York business men,


E. G. Lowry, Jr.


John W. Lamble

North Star became affiliated with General Reinsurance in 1930 when Edgar H. Boles, now chairman of both boards, was president of General. In recent years, North Star has been in the forefront among professional fire reinsurers in point of rate of growth.

Much of this growth occurred in the postwar period under the direction of Mr. Lowry and John W. Lamble, vice-president of North Star, both of whom took office in 1946. Writings for the first nine months of 1949 indicate a net premium volume for the full year 1949 of about $13 million, an increase of approximately 15% over 1948. North Star's net premiums written of $11,300,000 for 1948 constituted an increase of 210% over the year 1945, when writings totaled $3,600,000. The net premiums written by all professional fire reinsurers, other than North Star, increased about 60% from 1945 to 1948.

As of Sept. 30 the company had capital of $1,300,000 and surplus of $4,601,000.

Active serving of treaty clients is the policy of North Star. The company is in the field, Mr. Lowry emphasizes. The representatives spend most of their time on the road, and customers do business with North Star largely in their own offices. The aim has been to reduce paperwork to a minimum.

Mr. Lamble has spearheaded the development program. From 1942 until joining North Star in 1946, Mr. Lamble was secretary of Car & General. He had joined Liverpool & London & Globe at New York in 1923, and later served for many years as assistant secretary and comptroller of Fidelity & Guaranty.

The sliding scale commission provision has been used extensively. This method is not new but it has reached its present proportions in recent years. The company believes that the payment of commissions on a sliding scale, up or down according to the treaty loss ratio, is a more equitable arrangement for all concerned. It gives the ceding company a fuller recognition of good underwriting results and, at the same time, furnishes to the ceding company's underwriters an important incentive to improve their loss ratios. In addition, it obviates the necessity for frequent negotiation of the commission allowance.

### Prospects for 1950 Good

North Star's prospects for 1950, Mr. Lowry states, are good. The company is still in the initial stages of a broad diversification program such as the reinsuring of hail on growing crops and certain types of hull coverages. Further expansion plans are being made.

The strictly reinsurance character of North Star's business keeps it free from the competitive arena in respect of direct writings, Mr. Lowry observes.

Prior to 1945, many direct writers felt the need of establishing their own reinsurance divisions as added sources of income. Postwar inflation of values and rising demands for direct coverages, however, forced many of them to retire, at least temporarily, as writers of reinsurance. As a result, many companies found themselves in immediate need of new reinsurance facilities. North Star made a considerable contribution toward filling this gap, Mr. Lowry remarks.

North Star began business at New York in 1925. In 1934, American Colony, which was founded in 1890, was merged with North Star. In 1939 the name was changed to North Star Reinsurance.

### Officials at Hutchinson Party

Hutchinson (Kan.) Insurance Board held its Christmas dinner party with public officials and office employes as guests, about 135 attending. Special guests were Kenneth Ross, Arkansas City, president of Kansas Assn. of Insurance Agents, and Executive Manager Alpha H. Kenna, Topeka.



## STOCKS

**By H. W. Cornelius, Bacon, Whipple & Co., 135 So. La Salle St., Chicago, Dec. 19, 1949**

| | Par Div. | Bid | Asked |
|---|---|---|---|
| Aetna Casualty | 3.00 | 95 | Bid |
| Aetna Fire | 2.20* | 61 | 63 |
| Aetna Life | 2.50 | 76½ | 78½ |
| American Alliance | 1.10* | 24½ | 25½ |
| American Auto | 1.60* | 51¼ | Bid |
| American Casualty | .80 | 15½ | 16½ |
| American (N. J.) | .90 | 22 | 23 |
| American Surety | 2.50 | 61 | 62½ |
| Boston | 2.40 | 73 | 75 |
| Camden Fire | 1.15* | 23 | 24 |
| Continental Casualty | 2.50* | 65 | 66½ |
| Fire Association | 2.50 | 77½ | 79 |
| Firemans Fund | 2.60 | 91 | 93 |
| Firemen's (N. J.) | .60 | 20 | 22 |
| Glens Falls | 2.20* | 52 | 54 |
| Globe & Republic | .50 | 13 | 14 |
| Great Amer. Fire | 1.30* | 38½ | 40 |
| Hanover Fire | 1.60 | 34 | 35½ |
| Hartford Fire | 3.00 | 122 | 125 |
| Home (N. Y.) | 1.60 | 34½ | 35½ |
| Ins. Co. of North Am. | 3.50* | 126 | 130 |
| Maryland Casualty | .75* | 18½ | 19½ |
| Mass. Bonding | 1.60 | 30½ | 32 |
| National Casualty | 1.45* | 29 | 30½ |
| National Fire | 2.50* | 60 | 62 |
| Natl. Union Fire | 1.40 | 38 | 40 |
| New Amsterdam Cas. | 1.30 | 39½ | 41 |
| New Hampshire | 2.00 | 43½ | 45½ |
| North River | 1.20 | 27¼ | 28¼ |
| Ohio Casualty | 1.20 | 53½ | Bid |
| Phoenix, Conn. | 2.00* | 102 | 105 |
| Prov. Wash. | 1.50* | 35 | 36½ |
| St. Paul F. & M. | 2.50 | 104 | 106 |
| Security, Conn. | 1.60 | 36¾ | 38 |
| Springfield F. & M. | 1.90 | 46½ | 48 |
| Standard Accident | 1.45 | 38 | 39 |
| Travelers | 12.00 | 425 | 435 |
| U. S. F. & G. | 2.00 | 60 | 62½ |
| U. S. Fire | 2.00 | 67 | 69 |

*Includes extras.

## L. W. Powers Becomes Coast Head of Buffalo

Leslie W. Powers, assistant secretary of Buffalo, has moved to the coast and has opened an office at 725 South Spring street, Los Angeles. His title is now assistant secretary and Pacific coast manager.

Mr. Power has been with the home office as assistant secretary for the past six years, prior to which time he was special agent in Pennsylvania, Maryland and New Jersey, dating back to 1934. He is secretary of Buffalo Field Club.

Buffalo will open a San Francisco service office early next year.

## Mo. Auto Rate Change

Auto fire, theft and comprehensive rate reductions ranging from 8.7 to 15.4% were put into effect in Missouri Monday by National Automobile Underwriters Assn. The St. Louis rates are unchanged and in St. Joseph there is a 10% increase. The department estimates this should produce a reduction in premiums of about $200,000. There is no change in collision rates except that there is a reassignment of symbols for cars of 1941 vintage and older. On the average these are increased one symbol. This spells an increase in premium for those of the older cars for which there is an increase in symbol.

## North British Festivities

Nearly 400 employes of North British gathered Friday evening, at their Christmas party and dance sponsored by the Employees' Club.

Assistant U. S. Manager W. L. Nolen, in behalf of the management, extended season's greetings to all. Manager Duxbury was unable to attend.

Arrangements were in charge of Mrs. Ruth G. Adams, acting president of the club.

## Hardy Pension Speaker

CINCINNATI—W. R. Hardy, New England Mutual Life, will discuss pension plans at the next monthly meeting of Cincinnati Fire Underwriters Assn. Jan. 12.

This is the first time in recent years that a life insurance man has appeared before the Cincinnati Board. H. P. Sweeney, vice-president of county board and program committee chairman, expects a large attendance, in view of the current high interest of general writing insurance men and of business men generally in this subject.

## Award to J. J. Higgins

James J. Higgins, chief of the New York department's uniform accounting bureau, has been awarded a plaque representing third prize for outstanding civil service work in the state. The plaque is part of the highly regarded Harold J. Fisher award. He was cited for the exemplary performance of his duties in the development of uniform accounting procedures for fire and casualty companies, which took more than four years to complete.

## Slate Henschke at St. Louis

ST. LOUIS—John J. Henschke of Insurance Agency Co. has been nominated for president of Insurance Board of St. Louis to succeed Oden D. Prowell of Geo. D. Capen & Co., who is slated to become chairman of the executive committee.

Other nominations are: For vice-president, John Wightman, Jr.; treasurer, H. Roland Bieser; secretary, Boyd Hill;executive committee, Holton Price, Carl Daniel and Daniel F. Sheehan.

The annual meeting will be held Jan. 17.

About 50 couples attended the Christmas party of **Iowa Blue Goose** at Des Moines. Mr. and Mrs. Alex Young of Kansas City were guests. Mr. Young is a candidate for grand nest office.

## New Ill. Department Aid

Shreve Cowles Badger of Chicago has been named supervisor of the securities division of the Illinois department. He is a Yale graduate and has spent nearly 30 years in the investment banking business and as a specialist in financial requirements pertaining to small business. During the last war he served as a specialist in the small business section of the contract distribution service of the office of production management at Washington. He also was a member of the confidential White House intelligence group.

## All-Risk Cover Discussed

Vincent S. Kerans, state agent for Corroon & Reynolds, led a discussion before Santa Monica Agents Assn. on all-risk coverage for jewelry, furs and personal property floaters and the rating procedure.



# Plan D Proves Satisfactory for Handling Large Risks

Plan D has proved highly satisfactory to those insurers with large single state or substantial interstate risks. This is the type of risk for which it was designed, and the bulk of D plans have been written by possibly less than a dozen of the larger companies that handle this type of insured.

Approximately 175 D plans have been effected by all companies, about 50 in 1948 and around 125 for 1949. Use of the plan, however, has steadily accelerated. More are coming in all the time. On those in effect for a while, premium adjustments show how promptly a change in experience—arising from improvement or deterioration in the accident record—is reflected in the insurance cost.

### Handling Not Now Onerous

In use now for about 18 months, the plan has been given a good testing. Company underwriters responsible for working out plan D projections report that after putting through several of them the handling has become considerably easier. There has been no trouble with the plan, either as to processing or as to the results obtained with it on the side of company or insured. As underwriters got on to the swing of it the processing has lost the tediousness it had at first.

Surprisingly enough, many risks which have asked or for which producers have asked that plan D be tried on for size have ended up with guaranteed cost plans instead. One middle sized company that has put 24 plan Ds on the books in 18 months—about four every three months — reports that in most cases where plan D is tested, a guaranteed cost plan has proved to be more attractive.

The base with which the underwriter starts, or course, is the experience of the risk for several years, premiums and losses, then what the risk would have paid under plan D is determined.

### Good on Risks $25,000 and Up

One company expresses the belief that plan D is probably not much good for any risk developing less than $25,000 per year in premiums. Another who has worked closely with plan D since its inception thinks $30,000 to $40,000 is the breaking point. Frequently producers and once in a great while a smart buyer will ask for a plan D projection, and with quite a number remaining on the guaranteed cost plan or going to that type of plan, there is considerable figuring that does not result in an operating plan D.

### Most Cases Not Competitive

Underwriters say in more half the cases a risk is not under competition when plan D is applied. One reason is that many risks that get plan D already were, in effect, on that plan. They already had a retrospective rating of some kind. One insurer writes risks on plan D that have been on a retrospective plan that was tailor made for their operations, and does this when the risks come up for renewal. Actually, of course, the underwriter can tell whether the insurance rating plan now being used on a risk is out of line or not simply by reviewing the case and looking at the figures. In theory, at least, there should then be nothing which competition can attack.

D serves the purpose of applying gradation of expense and experience rating to a combination of casualty lines, liability, workmen's compensation and automobile. A serious problem of the business has been how to write the big risk under rate regulation, and plan D provided the solution. It is a rating program that brings the premium in line with losses on a nationwide basis. Those who like plan D contend that the single risk developing $100,000 in premiums is entitled to the same spread and flexibility as are 10 risks developing each $10,000 in premiums.

It is true that in the past on larger risks there was available graded expense and retrospective. If an insurer had a big risk all in one state, a risk that developed $300,000 in premiums, they were able to recognize in the rate a difference in expenses by size of risk and the company could provide a quotation that met competition and that produced a fair and equitable rating program. However, if this $300,000 were spread over 10 states then any rating program ran into the problem of premiums for each state that produced an aggregate over-all minimum that was unrealistic and stimulated a temptation to shop or self insure.

### Is Retrospective on Broad Base

It is also contended that plan D is not discriminating in favor of the big risk but simply gives the big risk the same break as the large one state risk. D is said to offer the same advantage that retrospective offered when it was introduced except that it is on a broader base of public liability, automobile and workmen's compensation.

The program is not as effective as it might be because several states have not approved its use, New Jersey and Louisiana, for example. It is not approved in Colorado for compensation. The plan works with complete satisfaction only when it can be applied in all states where insured is located. The problem of handling the interstate risk is a serious one, and the statement by Commissioner Malone of Pennsylvania at Galveston, warning that failure to provide a satisfactory means of writing interstate business would lead to federal regulation, would apply, underwriters believe, to big casualty lines if all states do not eventually authorize the use of plan D.

### Efficacious on Bad Loss Risks

D has proved eminently satisfactory in dealing with risks with bad loss ratios. For example, a risk may have had good automobile experience in only one year out of three, its workmen's compensation ratio may be good in one year out of two, and so on. With plan D the over-all experience shows up in one spot. The effect is to bring insured face to face with his responsibility for applying good management principles to operation in order to effect a reasonable loss experience. Under plan D he sees money results from such effort in way of premium saving.

Although the plan is easier to handle than it was at the outset, it is still not simple enough and probably never will be for an agent to use. Even the larger agencies do not become involved except for the provision of experience figures on a client's operations and possibly to the extent of checking the figures developed under plan D for accuracy. The average agent of course doesn't have risks of the size to which plan D is naturally applicable or so rarely that he would never go to the trouble of learning how to handle it anyway. If there are indications that the risk seems to call for plan D, he can go to his company which is equipped with experts to provide him a quick answer.

With respect to competition, it is interesting to note that the mutuals now are favorably disposed toward the plan.

# I.C.C. Opens Question of Insurance Limits

WASHINGTON—A meeting of the trucking industry insurance committee of American Trucking Associations has been called to consider Interstate Commerce Commission's recent order reopening its insurance regulations for Jan. 31 at A.T.A. headquarters here.

The commission reopened its insurance regulations for the purpose of considering an increase in the amounts of B.I. and P.D. insurance required of motor carriers and freight forwarders. Present requirements are 5/10 B.I. limits and 1/5 P.D. The question of cargo insurance limits is not expected to be considered.

The insurance committee's session will be followed by the regular meeting of A.T.A.'s executive committee, to be held here Feb. 1-2. The latter group will consider the insurance committee's recommendations and decide what position A.T.A. will take at an I.C.C. hearing Feb. 23.

# Consulting Actuaries Form Organization

A number of prominent independent consulting actuaries have formed an organization known as Conference of Actuaries in Public Practice. It has been incorporated in Illinois.

Membership consists of actuaries engaged in public practice and all other actuaries and official representatives of financial and other businesses confronted with actuarial needs. Those in the first category are divided into members with 15 or more years of public practice, or its equivalent, and associates with less than 15 years of such background.

The first annual meeting will be held in 1950. The number of consulting firms has multiplied many times during the past 20 years. It is pointed out that public, private and industrial pension trends are creating new demands upon the facilities of consulting actuaries. Banks and trust companies engaged in the pension trust field have increasing need for actuarial services and the number of insurance companies and the rapidly increasing volume of insurance tends to increase the actuarial demand.

The incorporators are Miles M. Dawson & Sons of New York, of which Frank E. Gerry is president; J. L. Mims of Fort Worth, Clarence L. Alford of Nashville, John Copeland & Son of Atlanta, J. Froggatt & Associates of San Francisco, Frank Speakman of Philadelphia, R. D. Taylor & Sons of Cedar Rapids, and the following Chicago organizations: Harry S. Tressel & Associates, E. D. Brown, Jr., Harley N. Bruce & Associates, D. F. Campbell, Jr., and Chase Conover.

The objectives as stated in the articles of incorporation are to unite the profession of practicing actuaries, to advance the practical application of actuarial science to all branches of insurance education and business, to promote and maintain high professional and moral standards, to encourage beneficial relationships between actuaries and to correlate the functions of the conference with professional, business, educational and administrative bodies or institutions which relate directly or indirectly to the actuarial profession.

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A course in **disability benefits cover,** with particular reference to the New York law which becomes effective next July 1, will be offered beginning in February by the insurance school of Insurance Society of New York.

# Multiple Line Developments Are Watched

## Unspectacular Revolution Under Way—Aggregate Changes Important

**By KENNETH O. FORCE**

Some of the effects of multiple line underwriting gradually are unfolding. Broadening of underwriting powers is not going to produce any large single, sudden change in the business. The alterations and modifications it accomplishes are numerically great but small in extent. Singly they are unimportant enough that some in the business may underestimate the fact that in the long run multiple line underwriting will work a considerable revolution in the business.

There has been little effect so far that interests agents. A single automobile policy for fire and casualty coverages will be helpful, but agents have had a combined policy for a long time. It may be possible to include several personal coverages in one insuring contract, but here also the agent already had available from many companies a "combination" which had much the same effect.

Actually, the combination of all auto lines in one contract is the only example of coverage unification that so far has come out of multiple line underwriting. Undoubtedly agents want a single policy wherever possible, especially for sizable risks that now have a "stack of policies", and there may be more of this in the future. A single policy instead of two or more has some influence on agency costs. It saves something to have to make out only one policy.

Inclusion of more than one line in one policy could have an influence on rates because of the saving in expense, it is said. However, writing two coverages separately does not double the expense.

The truth is, agents have been multiple line all along. They write all lines. Consequently, they have not yet been much impressed by changes under multiple line underwriting. A small fire-casualty group recently made an appointment of a good agent who said he was going to use the fire company only for a time but as multiple line underwriting goes along he thought he would eliminate some of the strictly fire companies in his agency. He has nine of them. But instances of this sort are not numerous.

### Over-all Effect Is Important

On the company side the changes in methods and procedures while not individually of spectacular consequence still are producing or will produce an over-all effect of consequence. These changes may be in accounting, in administration, in the keeping of statistical records, etc.

A bull market for casualty men is expected to develop as fire companies get into that field. Some interest but not much pressure has developed already. The pressure will undoubtedly increase as time goes on. The tendency will be for salaries of casualty personnel in the various classifications of that field to go up.

There is not time for fire companies that feel they must get into casualty to train young casualty people and season them. If there were, the fire insurer still would need a corps of experienced

personnel around which to build a casualty organization. To get this nucleus it would have to buy experience.

### Present Expense—Future Investment

This is not the only direction in which it is going to cost fire companies money to get into the new business. One company estimates it will require $10 million from surplus over a period of five years to put it in a position to compete for casualty volume. That money would eventually find its way back into surplus and when it does the fire-casualty carrier will have substantially broadened its base, financially and as a business operation. But meanwhile there will not be the same opportunity to distribute dividends (provided insurers continue to have a reasonably favorable experience) that a fire-casualty group would have.

Already inquiries are being received by firms specializing in insurance stocks from investors or prospective investors who are aware of the development of multiple line underwriting and recognize that a period of building is necessary for the company taking on a new field. Some of them are asking for stocks in fire companies that have casualty mates.

One view is that the middle size fire only companies, those with $10 million to $25 million in premiums per year, will have to lay out a substantial amount in the next few years to build a casualty operation. This will place a strain on financial resources through unearned premiums and other reserves, assuming that they make no underwriting or other mistakes. They will have lower earnings in that time, that is earnings that can be distributed in dividends. The expenses of the medium size companies are often a few points higher than the average because of smaller volume. For the large insurers the expense ratio is below average a few points because volume is larger. Rates are based on averages. Under rate regulation there will be less elbow room in the rates than there has been in the past. The feeling of these observers is that agents will not handle four or five companies when they can get it all in one package, from one or two big companies.

## VALUE OF SPECIALTY

Of course this view overlooks the value to the agent and the consequent advantage to the insurer of a specialty. It assumes that all companies are offering the same product or at least that they would tend to do so more under strict rate regulation than was the case before. It is not necessarily true that all fire companies offer the same product. Fundamentally that is so, but there are too many instances in which an insurer has made itself well and widely known for the skill with which it handles some major line like business interruption, and as a result has a good deal of prestige and gets all the business that perhaps it wants not only of the specialty but of all varities of fire. Agents can use this kind of specialization and are not going to cut off such a company merely because it does not afford casualty. It has other facilities for writing casualty and always will have.

There are other differences on which a well managed fire company of whatever size can capitalize. It may have an exceptionally good field staff, the value of which agents will express in terms of premium volume. As a matter of fact the acquisition or development of especially able men will always set a concern, fire insurer or otherwise, aside for special estimation by producers of that kind of business.

### Other Specialty Operations

What is said here of fire insurance company that does not go into casualty and that therefore after a while under multiple line underwriting may be regarded as a "specialty" company may also be said of those companies in the casualty field which specialize—the ones that specialize in bonding, for example. If they provide superior service and technics that help the agent get and hold business, they are going to get their share of premiums.

The agent is going to appreciate, perhaps more so as time goes on, the one company convenience. But if he has any sort of volume and variety of production, he will have room not only for the large multiple line carrier, which is likely to be a member of a fire-casualty group that in the past has provided essentially the same broad gauge service and facilities, but for the fire or casualty that offers an extra quality of some kind that is of value to his business. The agent may give more volume to the large carrier than he does to any other single insurer in his office, but the agent is not apt to put all his eggs in a single basket. He is not apt to represent but one company or one group, not only because of financial strength but perhaps more important because he will always feel a greater sense of independence if he has several competitors under one roof.

The question naturally arises, why are fire companies so much more concerned about what they need to do under multiple line underwriting than casualty? Casualty insurers believe they can get into the fire business any time they wish without much difficulty. One reason is that casualty is a business of longer liability, of sleeper losses that may have to be paid long after the company is off a risk-workmen's compensation, fidelity and automobile, as examples. In fire, if a company gets off a line, it gets off the liability.

The small, local insurer, it is believed, will continue to fare well under full powers. Some observers believe they shouldn't even consider getting into casualty. Their acquisition expenses, for example, are low. They write the good business. They know the business in their region very thoroughly, and their influence is based a good deal on localization and not on size.

Some fire people do not think it is going to be quite so easy for casualty companies to get into the fire business as the casualty companies think. It will be easy enough to get into auto physical damage, for those companies that write a lot of auto B.I. and P.D. Perhaps it will not be too difficult for their burglary departments to take on inland marine, although good inland marine men are no easier to find than good casualty people. Such lines as business interruption also require seasoned personnel. In the fire business in general, it is very easy for a new company to take on business, but it may find itself with mattress factory classes unless it has good fire men. Thus while admittedly it will be more difficult for fire people to get casualty personnel, it is not going to be simple for casualty companies to get expert fire men.

### Competition Will Surge on

One thing upon which all parties are agreed is that multiple line underwriting will increase competition for the business that is available. Multiple line underwriting will not increase the aggregate premium volume of the country, but it will multiply the number of companies looking for the same business. No one is worried that this will stimulate excessive competitive practices, at least in times like the present when there is still a large volume for everyone.

But one of the stimulating results of multiple line underwriting is cross fertilization as between fire and casualty methods, processes, and so on. Shortcuts are being discovered, economies being effected, new ways of handling business developed. Inland marine vigor will react on burglary production, unquestionably. It is natural that more effort and more different kinds of effort will be expended to get business. The beneficiaries will be the public, the agent, and in general the business as a whole. If an old method that was followed for many years simply because of precedent is torpedoed in the process of combining fire and casualty, it should be a good thing for the business all along the line. It will not necessarily follow, because of greater competition, that costs will rise. There may be some increase in costs. Particularly at the outset, but there are also already being discovered economies and improvements.

## Favors Insurance, Not Taxes

Income maintenance against losses due to accidental disability or sickness is a hazard that is clearly insurable and for which there is no need to provide protection out of tax supported public funds, Mary Donlon, chairman New York State Workmen's Compensation Board, told the Interstate Conference on Non-Occupational Disability Benefits at its conference at New York. She criticised the growing utilization of government in functions more suited to private enterprise and emphasized the importance of using the private approach to the social insurance problem.

**Occidental Life** has been elected a member of Bureau of A. & H. Underwriters.

## Public Hearings Create Problems in No. Carolina

RALEIGH—In a move to solve one problem created by North Carolina's new public hearing law, Commissioner Cheek announces he will ask the insurance advisory board to adopt a regulation concerning the timing of announcing rate changes. The proposed regulation provides that subsequent to a public hearing on a filing immediate consideration shall be given to all the information available.

Announcement of the commissioner's decision shall be made public as soon after the hearing as is feasible but in no event before any appropriate bulletins, rate schedules or amendments to schedules or manuals have been placed in the mail to agents and companies affected, in order that the commissioner's decision may be put into effect. The effective date shall be the date specified in the bulletins, rate schedules or amendments to schedules or manuals mailed to agents and companies.

The proposal will be presented to the advisory board at a meeting in mid-January.

The effect of the new law has been that, when reductions are proposed, the public refrains from purchasing new policies or renewing until the new schedule goes into effect: On the other hand (although this problem has not been encountered yet), if rate increases were proposed the public would rush to obtain insurance while the lower schedules were in effect.

## Names Michigan G. A.

Farmers Fire of York has appointed Michigan General Agency of Grand Rapids as general agent for Michigan.

## Koonce Ark. Head

LITTLE ROCK—New officers of Arkansas Adjusters Assn. are: George C. Koonce, Jr., president; Robert Flocks of Fort Smith, first vice-president; Josh Monan second vice-president; and George Barnwell secretary.

## Ky. Coverage Outlawed

FRANKFORT — Attorney General Funk of Kentucky has given the opinion that a blanket school-child policy covering accidents to any of the school children of a county who may be injured on the school grounds or on their way to and from school, cannot be legally taken out. A superintendent of schools in a county asked the question. There is a statute permitting such a policy to be taken out covering school bus accidents but it does not permit school grounds coverage.

## Reopens Minn. Branch

Appleton & Cox is reopening its branch at Minneapolis, Minnesota. It will be located in the Roanoke building, and will be in charge of Robert C. Anderson, state agent, who has been transferred from Chicago where he has served as state agent for Illinois and Wisconsin since 1940.

## Study Rural Fire Protection

RALEIGH—At the request of North Carolina Fire Chiefs Assn., Governor Scott will name a committee to make a study of proposed plans for fire protection in rural areas.

The chiefs made their request after a meeting here at which Godfrey Cheshire, state agent of Fidelity & Guaranty, presented the Dutchess county, N. Y., plan for fire districts with a tax levied to maintain district fire stations. Modifications of the same plan were outlined by Commissioner Cheek and Joe O. Talley, Jr., mayor of Fayetteville.

## McComb to Portland Agency

Jack McComb has joined Powell, Taylor & Hays, Portland, Ore., agency. A University of Oregon graduate, Mr. McComb entered insurance with Loyalty group at Newark. In 1946 he was made special agent at Cincinnati and a year later went with G. R. Hammerlein agency there.

## Four New Farm Bureau Insurers Are Projected

Four new farm bureau insurance companies are now in process of being put together. Washington Farm Bureau Mutual, whose headquarters will be at Spokane, has been given a solicitation permit.

Utah Farm Bureau has been incorporated as a stock company. The plan is to start it off with capital and surplus of $225,000. It will be located at Salt Lake City. Virginia Farm Bureau Mutual is also in process of formation at Richmond. These are all auto and general liability companies.

Texas Farm Bureau is now organizing a stock fire company and the report is that at the outset it will write only one-year policies at a 30% reduction in the authorized state rate.

Including these projected companies there are about 47 farm bureau insurance companies, including automobile and casualty institutions, fire and life, and a reinsurance company at Chicago headquarters known as American Agricultural.

## Old Ohio Commission Cases Are Dismissed

COLUMBUS—The Ohio department has dismissed for lack of evidence charges against American and Hartford Fire alleging that each had entered into an agreement to control agents' commissions contrary to section 9563 of the Ohio code. American was originally notified of the charges Dec. 31, 1947, and Hartford Jan. 5, 1948. In dismissing the cases, Superintendent Robinson said: "As this matter was begun under the administration of a previous superintendent of insurance and never completed, I have now reviewed it and I am not satisfied that the evidence warrants proceeding with a hearing."

On March 22, 1948, the case of Hartford was continued until further order and on May 10 a similar notation was made in the case of American.

## Assn. Gets $500,000 Line

A $500,000 fire and extended coverage line, which will cover property of City Light, Seattle, has been placed with King County Insurance Assn. W. C. Meek of Associated Agencies is acting as broker for the association.

## Haul-Away Cover OK

Filing of Aetna Fire for an all-risk policy for automobile manufacturers covering property away from premises but excluding properties on floor plans and on deferred sales has been approved by the New York department. Aetna Fire made the filing on its own after N.A.U.A. decided this was not within its scope. There is a single base rate and a debit-credit experience rating plan is applied. The base rate is 60 cents and there is a credit of 10 cents when riot cover is excluded. There are deductibles available.

## L. A. Claim Men Elect

New officers of Los Angeles Life & Accident Claims Assn. are: President, Richard A. Protsman, Lumbermen's Mutual Casualty; vice-president, Marshall A. Ockert, Connecticut General Life; secretary, Palmer Bayley, Constitution Life; treasurer, William E. Campbell, Prudential.

# Packet Policy Minus Expiration Date Is Offered

### Manufacturers Casualty Designs Contract of Multiple Line Stripe

Manufacturers Casualty is capitalizing on the opportunity offered by multiple line legislation to provide a "packet" of coverages that cut across the casualty, fire and marine brackets, and this is coupled with the innovation of eliminating the expiration date of the contract.

The aim, according to President W. Stanley Kite, is to offer the broadest possible protection for personal property in a form that will be as simple as possible. The coverage is being offered first in Pennsylvania, but will be made available in other states when approval is gained.

The "packet" includes auto B.I. and P.D., auto medical payments, auto towing and labor cost, comprehensive personal liability including medical payments, personal property coverage against loss by fire, E.C. and the perils of transportation and navigation, and additional living expense against fire and E.C. losses.

At the option of the insured the packet offers auto physical damage, residence and world-wide theft and jewelry and fur floater coverage.

The entire program is eligible for a special rating plan that has been devised. The "packet" has no expiration date but continues in force for so long as premiums are paid. On an annual premium basis there is a 30-day grace period so that the initial premium continues the insurance in effect for 13 months. Similar arrangements including a grace period are made when the insured elects to pay his premiums on the installment plan. Premiums may be paid annually, semi-annually or quarterly and the company assumes the responsibility for sending premium due notices.

The policy is made available in time to meet the demand in Pennsylvania for insurance that will be stimulated by the auto financial responsibility law that becomes effective Feb. 1. Extensive advertising and promotional material is being offered.





## Casey Leaves Farm Bureau Post

John T. Casey has resigned as director of insurance of American Farm Bureau Federation at Chicago. He has held this position about five years and has aided in setting up 27 casualty, fire and life companies as adjuncts of the farm bureaus in several states. Many of these are automobile insurers that were put into operation co-terminously with the enactment of the new type of financial responsibility law and they have had an unusually rapid growth.

**Formerly With American Automobile**

Mr. Casey is a graduate of St. Louis university and the law school there and he entered the insurance business in 1935 with American Automobile at St. Louis. He later became assistant superintendent of underwriting there and then superintendent of the legal division. Then he was with Zurich at the Chicago head office about a year before joining American Farm Bureau.

## Hold N. Y. Panel on Atomic Energy and Insurance

J. Dewey Dorsett, general manager of Assn. of Casualty & Surety Companies, will discuss the insurance aspects of atomic energy Jan 12 at a conference on industrial and safety problems of nuclear technology in New York City. John V. Grimaldi of the association will be chairman of a panel discussion on the impact of atomic energy on insurance and safety. Speakers include Rouel C. Stratton, Travelers, Dr. Charles Williamson, Liberty Mutual, and Edward Kehoe of the atomic energy commission.

## N. Y. Board of Trade Elects

NEW YORK—Mortimer E. Sprague, vice-president of Home, has been elected chairman of the New York Board of Trade. He is immediate past president. Henry C. Thorn, marine manager of North America at New York and chairman of the executive committee of the insurance section of the board, was elected a director of the board.

The insurance section also reelected Robert H. Nicholls, secretary America Fore, vice-chairman, and R. P. Dorland, president of Davis, Dorland & Co., representative on the board's directorate. G. A. Buckingham is secretary.

R. W. Cauchois, vice-president of Johnson & Higgins, and A. E. Spottke, vice-president of Massachusetts Bonding, were newly elected to the executive committee.

## Traver With Wolverine

LANSING, MICH. — William G. Traver, formerly with Dearborn National here, has been named as special representative in northern Ohio for Wolverine, working out of the Toledo office. He has been with the Broderick organization since 1940 and before that was with American Automobile.

# Problem of Bonding Government People Gets Attention

WASHINGTON — Surety people face a dilemma, it is believed, in connection with consideration of programs for bonding of government officials and employes. The two horns of the dilemma, as seen here, are either a blanket bond or scheduled coverage or government self-insurance. Observers believe that one or the other will be the eventual outcome of the survey of government bonding procedure and consideration of legislation dealing with the problem.

Either outcome will tend to take this business from normal agency channels. Under a possible centralized system of handling the bonds, a blanket or schedule policy might be obtained for all government people, or such a program might apply to each government department or agency separately.

Surety interests have been trying to find out just what the government wants with respect to bonding of its people. To that end, and also for the information of the expenditures committees and the GAO and budget bureau, which are coordinating government studies of the bonding problem, a questionnaire has been sent to all government departments and agencies. Answers from many of them are not expected until about the end of December, Harry Harper, of the House expenditures committee's staff, says.

The questionnaire calls for such information as the name of the agency, number of employes engaged full time and part time; number thereof required to furnish surety bond, either by statute or by regulation or administrative order; number and types of agency divisions having bonded personnel, such as administrative, organizational or regional; number of persons under each title classification in each such subdivision.

Also, amount of recoveries, for the latest five years, received from surety companies on account of liability; number of employes, if any, who, in the course of their official business, handle public funds and are not bonded; and finally personnel required to furnish surety bond. This last schedule calls for title classification of such personnel, duties or activities of persons within each classification, number of persons employed under such classification; citation of statute, regulation or administrative order requiring surety bonding; penalty of bond required for each title classification, amount of annual premium paid for such bond by employe or otherwise, maximum and minimum penalties.

## Foster Heads L. A. Managers

LOS ANGELES—A. & H. Managers Club of Los Angeles has elected these officers: President, Alfred D. Foster, Hartford Accident; vice-president, Harvey C. French, Glens Falls Indemnity; secretary, Milton Rose, Massachusetts Protective.

Following the business meeting an entertainment program was offered, with Harry Burford of the Continental Casualty and Ernest Hansen of Cass & Johansing playing the leading parts.

## Dog Accident Cover

The dog insurance plan that is offered by "Thanks" dog food on an experimental basis in Utah through Salt Lake radio station KDYL was devised by William E. Lebby of Los Angeles, prominent general agent in the A. & H. field representing London Lloyds, Massachusetts Indemnity and General Accident. It is understood the dog insurance is with Lloyds. The dog food manufacturer pays the premium for accident insurance for the dog for a period of 30 days if the owner sends in a certain number of box tops.

INVESTIGATES STATE FARM

## FTC Pursues New Tack in Insurance Field

WASHINGTON — Federal trade commission is investigating charges that State Farm Mutual Automobile has engaged in false and misleading advertising and misrepresentation in connection with auto third party liability insurance.

Joseph W. Powers, chief division of field inspection of FTC's bureau of legal investigation, confirmed reports of the investigation. It is reported FTC has had investigators at State Farm Mutual headquarters at Bloomington, Ill.

Asked to confirm a report that company practices in connection with its membership fee are under scrutiny, Powers said he could furnish no details, as the file in the case is in its Chicago office.

So far, Powers said, the charge is false advertising. Resort to such advertising, he added, would violate section 5 of the FTC act, which declares unfair and deceptive acts and practices to be illegal. False advertising has been held to be such a practice.

It is understood that State Farm representatives at the Galveston convention of N.A.I.C. reported what is taking place to an insurance commissioner committee in an executive session. It is understood an investigator visited State Farm in November and questioned specifically its advertising claim that it is the world's largest automobile insurer and also its claim to offer coast-to-coast claim service, in view of the fact State Farm is not licensed in all states. It is further understood that State Farm furnished comparative premium statistics to substantiate its claim to being preeminent in the auto insurance field, and that it displayed its arrangements for claim service in states in which it is not licensed to support its advertising claim that it provides claim service across the country.

The investigator, it is reported, also made inquiry about the practice of State Farm in discontinuing insurance on motorists that move to a state in which the company is not licensed. The question involved here, it is said, is the fact that the insured loses the advantage of the membership fee that he paid initially. The company's practice, it is said, is to notify insured that make such a move that they should arrange insurance in a company through which they can receive the service of an agent.

FTC people say that different practices of insurance companies in different states appear to present a number of problems, in view of variations in state laws and regulations and the fact that many companies are not licensed in a number of states. For example, it is suggested, suppose a New York policyholder in a company unlicensed in Arizona happened to be in the latter state when his premium is due and he pays it. What laws and regulations apply?

State farm mutual is one of the few identifiable insurance cases in which FTC has been active. In that field it has devoted attention chiefly to the mail order segment of the industry and to making a survey of state laws and regulations.

### Outline Heavy Kan. Program

The executive committee of Kansas Assn. of Insurance Agents had a full attendance at its two-day meeting at Wichita. Action was taken to back an adequate agents qualification law; to improve public relations through organization of a speakers bureau; support of the hospital inspection program; endorsement of driver training programs in the schools as advocated by Govenor Carlson; active opposition to the threat of socialized medicine and government intervention in business. President Kenneth Ross presided.

### Racine Units Elect

Rell Barrett was reelected president of Racine (Wis.) Insurance Board; John Batenburg, vice-president, and Dewey Leigler, secretary.

Racine County Assn. of Insurance Agents, meeting jointly, elected Mr. Batenburg president; Francis May of Burlington, vice-president, and Mr. Liegler, secretary.

Guest speakers at the election meeting included J. L. Ashton, Milwaukee, president Wisconsin Assn. of Insurance Agents; George Timm, Kenosha, vice-president, and Urban Krier, Milwaukee, executive secretary.

### Krier Green County Speaker

Urban Krier, Milwaukee, executive secretary Wisconsin Assn. of Insurance Agents, spoke at a dinner-meeting of Green County Assn. of Insurance Agents at Monticello, discussing the association's activities the past year and its program for 1950. William C. Haren, Monroe, board president, reported on conferences with the Green county board of supervisors on county insurance, now scheduled to go to the state fire fund. At the next meeting Jan. 10 at Monroe officers will be elected.

### Dec. 31 Correct Date

The effective date of the rate reduction in the riot and civil commotion coverage of Factory Insurance Assn. to 1/10 cent per hundred for annual policies is Dec. 31 and not Dec. 1 as was incorrectly stated last week.

### Ullrich in Local Field

Ernest A. Ullrich, formerly southeastern division manager for Utica Mutual, has purchased the Moore agency at Hollywood, Fla. He has been in business 17 years and for the past 10 years has been the manager for Utica Mutual at Atlanta. He will be associated in the management of the agency by Joel Cloud who was for many years manager of the White agency at Greenville, S. C., and who for the past seven years has been southeastern special agent for Northwestern Mutual Fire with headquarters at Atlanta.

### Shute Joins Tacoma Agency

L. Ray Shute has joined F. D. Hill & Co., Tacoma agency, as underwriter and accountant. He has been in claims adjusting for 23 years, starting with George W. Daley independent adjuster in Portland. In 1929 he became Tacoma manager of Frank Allyn, Inc., and two years later opened his own office there.

### Baackes Named in Ind.

Boston has named Frank Baackes state agent at Indianapolis, filling the vacancy caused by the recent death of Harold Newton.

Mr. Baackes formerly was with a Detroit general agency and before that was with the Loyalty group in the field. He graduated from Northwestern University.

### Field Change in Cal.

Robert A. Ault has resigned as special agent for Great American in California. The south coast field will continue under the general supervision of Agency Superintendent Ralph C. Ainslie and to succeed Mr. Ault, William J. Loscher, Jr., is named special agent. He has been at the San Francisco office.

### Moss Buys Beloit Agency

Arthur R. Moss has purchased the Tucker agency at Beloit, Wis. Mr. Moss started in insurance as a field man for Aetna Casualty and in 1947 became a partner in the agency. He served in the last war.

## Buyers Rally Covers Wide Range

(CONTINUED FROM PAGE 5)

excess insurance? It does in New York, Mr. McCullough answered.

Asked to discuss the merits of monopolistic state funds, competitive state funds and private insurance, Mr. Haugh, who formerly worked for the Ohio Compensation Fund, gave an excellent analysis of the problem and declared that the state has no more right to be in the insurance business than in any other business. Even the competitive fund offers the same question of the state entering a business in which it has no reason to enter. The meeting broke up at this point, but Mr. McCullough managed to get in a few words defending the competitive state fund idea as employed in New York as a means of carrying risks unacceptable to the companies and as a better answer than the assigned risk plan.

Final speaker of the day was E. I. Evans, private actuarial consultant of Columbus, O., who attempted to show that rate increases being asked by the companies for workmen's compensation are excessive.

Buyers have become interested in how compensation rates are established, and reductions obtained in some states have demonstrated the need for and the value of active participation of the buyer in rate hearings, Mr. Evans declared. He argued that states attempting to determine the adequacy of rates are in a difficult spot because there is a wide difference in the efficiency of companies and what is adequate for one company may be excessive for another. When state associations of manufacturers have become concerned and made surveys, it has been possible to present facts establishing that the companies have been "super-cautious" in cushioning the rates "through stressing the danger of inadequacy without apparent consideration as to the reasonableness of the rate level."

### Says $9 Million Saved

Mr. Evans gave examples of recent filings in seven states where the company filings were in the aggregate 7.4% more than the approved figure. For example, in Oklahoma, the companies asked for a rate increase of 8.8% and a decrease of 6.6% was approved. The original loss ratio on the business was 54.4. Although the company filings were 16 2/3% higher than those approved, the companies have accepted the approval and are still actively competing for business, he said. In the seven states where the buyers were represented by a state association and protested the "excessiveness" of the filing, they were successful in reducing the potential premiums by a total of $5,-349,854.

### No Support for Expenses

The companies support only the loss portion of their filing and the 40% expense section is continued without support even though it was established arbitrarily years ago. "We could reasonably conclude that if the 40% were inadequate the companies would not find it too difficult to present facts in respect to the expense portion of the premium dollar," Mr. Evans stated.

The evening was given over to the Marsh & McLennan and Rollins Burdick Hunter parties. The Marsh & McLennan affair is a fixture of the A.M.A. meetings and is eagerly looked forward to because of the opportunities it affords for the buyers and company men to meet in a friendly atmosphere. The gathering is noted for its brilliant decorative effects.

Rollins Burdick Hunter's party has grown to sizable proportions and is becoming an attraction of importance. Both of the agencies were represented by their top executives and the evening was a brilliant success.

### Breakfast Meeting Held

The Friday morning session was preceded by the breakfast of Lumbermens Mutual Casualty and this event served to get the proceedings under way in lively style.

The Friday meeting was divided into a series of talks in the morning and a panel discussion in the afternoon. Chairman for the morning meeting was H. H. Hook, Koppers Co. The speakers were R. D. Constable, Niagara - Hudson Power Corp.; Walter M. Sheldon, vice-president of W. A. Alexander & Co., and E. Walter Helm, Jr., resident vice-president at Philadelphia of New Amsterdam Casualty.

Advice for the buyers in evaluating their insurance program under a changed market situation was given by Mr. Constable. He advised that now is a good time to reexamine the insurance program from the standpoint of basic policy and to apply judgment to a fresh appraisal of the facts.

### Chance for Revaluation

Current underwriting profits coupled with the slackening in the rate of increase of premiums have released the heavy pressure on the companies' surplus accounts. There is ample capacity to write business on which a profit can be anticipated, and these conditions, Mr. Constable predicted, will result in normal competition which in turn will give the buyers an opportunity to eliminate deficiencies in coverage and inequities in rates.

Taking up some of the coverage possibilities, Mr. Constable mentioned depreciation insurance and said it would appear that the general average depreciation taken in loss adjustments is less than the average depreciation used in determining sound values. At equal rates, the cost of buying the additional insurance needed could be disproportionately higher than the increased loss recovery possibilities. For the companies with little spread of risk and heavy damage possibilities at individual locations, the financial advantage may be well worth the penalty involved. But as the spread of risk and occupancy, construction and protection factors improve, the possibility of any advantage in the coverage becomes more remote and eventually merely produces the effect of a rate increase.

### Demand for High Deductible

There are companies whose real need on many exposures is to have protection only against the infrequent and unexpected loss of unusual size, and who chafe under the necessity of adding insurance overhead to a miscellaneous assortment of inconsequential claims. For this reason Mr. Constable observed that there is a growing interest in and demand for tailor-made contracts on an excess or high deductible basis. The insurance companies so far have been slow to fill this need, but expression of a desire for this type of contract will help hasten the day of its arrival.

It is increasingly important for the buyer to intensify his examination of rate structures in all coverages with the idea in mind of reducing the insurance budget. Safety and loss prevention programs can play a part in this, and in the casualty field, the buyer can sit down with the insurer to discuss the reasonableness of reserves on claims as to their effect on the total premium.

Mr. Constable presented some questions for the buyers to take up with their companies, such as grouping lines that are subject to premium discounts in order to take advantage of the maximum discount; use of retrospective rat-

ing plans; blanketing of business interruption coverages; use of extra expense insurance as a supplement or substitute for business interruption; changes in the fire business interruption values which will have a corresponding effect on boiler and machinery U. & O., and use of the coinsurance versus the valued form on boiler U. & O.

A resume of progress in rating multiple location risks was given by Mr. Sheldon. He mentioned that top men in the business have been wrestling with the problem for two years and a solution now appears to be in the offing. He discussed the plans offered independently by North America, United Mutual Fire, and Associated Factory Mutuals.

**Gives Operations Advice**

For the agent or broker attempting to secure the best plan available for his account, Mr. Sheldon advised that capacity is the item to receive first consideration. In the stock company market, about two-thirds of the companies are committed to the Escott plan in states where approval has been given; the remainder with one exception, using either the state average tariff plan or the interstate average tariff plan. Locations must be analyzed carefully to ascertain what plans are available in all the states where values are located. Loss experience, including allocated claim expense of the risk and of the class for the past five years, is necessary because of the debit and credit provision in the Escott plan. When all the facts are gotten together the decision must be made as to the plan or plans that offer coverage at the lowest cost commensurate with proper service.

**Outlines Retrospective Plans**

Mr. Helm outlined the different retrospective rating plans available to larger insured. He pointed out that the employer's safety program is usually the determining factor in the desirability of one or another plan. He reviewed the history of the plan, showing why the more usual rating formulas have often proved inadequate.

The casualty business, although dependent on statistics for rating, has probably suffered more from outside and unpredictable forces which upset the statistics than any other business. Mr. Helm cited as examples amendments to workmen's compensation laws, expansion of industry, gasoline rationing and other wartime restrictions, court interpretations of negligence and other laws, legislation and demands of the country along social lines. Hence, advance actuarial computations have often been so upset that retrospective plans have been the only generally satisfactory answer for the large buyer.

**Expense Factor Variations**

One consideration which makes retrospective plans complicated is the variation in expense factors for different casualty lines. It may run from 15% on group accident to 70% on steam boiler and 65% to 75% on some types of surety. Discussing the specific retrospective plans, Mr. Helm said that the big difference is that the plans which provide for the lowest minimum premium also allow the largest maximum. Thus, in making a choice an employer must consider what his loss ratio is likely to amount to, and he can cost himself money if he is too optimistic.

**Give Examples**

Taking a hypothetical risk, Mr. Helm showed that under plan A, the minimum would be $35,700 and the maximum $50,000. Under plan B, the same insured could incur a minimum of only $18,500 with excellent experience, but adverse experience could run him up to a maximum of $67,500, or 35% more than the standard premium.

Applying this to specific risks, Mr. Helm cited actual insurance with experience ratings of 114.9, 55.6, 95.2 and 42.8. Some of these could well afford to use the plans with low minimums and not worry about possibly incurring high maximums, while those with higher experience ratings would do well to forego possible and highly improbable maximum savings in order to avoid plans with high maximums. Some insured, particularly contractors, might prefer to stick to guaranteed costs, so as to be sure of their bidding on projects.

**Hold Another Panel Session**

The final session, a panel discussion with experts in the field of criminal loss, compensation and liability, boiler, and fire U. & O., was presided over by John R. Blades, insurance adviser of Newark. John P. Madigan, bond department manager at New York for Maryland Casualty; Charles J. Hare, assistant secretary of Indemnity of North America; Harold R. S. Perdriau, assistant vice-president of Mutual Boiler, and Robert M. Beatty, executive general adjuster of Western Adjustment, handled questions from the floor and this session, no less than the others, was handled with dispatch and the answers were given briefly and explicitly.

**Net Worth Rate Basis**

Why can't surety bond rates be classified as to the net worth of the principal? Mr. Madigan was asked. If dealing with pure suretyship, the underwriter tries to eliminate all foreseeable risks, he answered, and get in a "norm" range. Mere bulk of capital has nothing to do with establishing a rate, and once established the rate would be the same for all risks in that classification. Ostensible net worth is a factor, but no more so than good management, etc.

Is the deductible used in liability policies generally? Mr. Hare replied that contracts do not generally provide a deductible. In the property damage field they may be employed by the insurer for underwriting purposes on contract work, for example.

Mr. Perdriau was asked about the condition of the boiler market and the highest limit available for actual loss sustained. The reinsurance market is good, Mr. Perdriau said. There are some large risks that seemingly are beyond market capacity, but these usually turn out to be multiple location and can be accepted in that fashion.

What about the failure of a public utility to supply power? What is the U. & O. requirement? Mr. Perdriau stated that some companies carry this risk themselves and others have power interruption cover. The boiler and machinery U. & O. is a broader form than the fire cover in this instance. The amount of risk depends greatly on the location. If the public utility is the sole supplier of power and the plant is in a location where other power cannot readily be obtained, there are higher loss possibilities and some insurance is indicated. The loss possibility is materially reduced in the metropolitan areas.

How much evidence is required to prove an inventory theft if the thief is

**Two newcomers in the insurance supervisory ranks at Galveston N.A.I.C. convention—Robert Crichton, West Virginia commissioner, left, and Waldo C. Cheek, North Carolina commissioner.**

unknown? Mr. Madigan answered that "just enough" proof is needed. Under normal fidelity bond covers, however, it must be conclusively proved that the employe is involved.

How can a business soundly determine whether a risk is a business risk or a public liability exposure? Mr. Hare suggested listing realistically all the items under consideration that are insurable and the buyer wants coverage for. He suggested the industry might drop the "caused by accident" phrase if the buyer and underwriters would get together and be specific about the cover required. Insurance might by definition be made to cover the individual specific items on an occurrence basis.

Mr. Madigan was asked what evidence was required to prove mysterious disappearance. For financial institutions, under the money and securities policy there is none, but commercial enterprises having property losses should not try to prove mysterious disappearance, he advised, but rather establish theft even if the thief is unknown.

**Nuisance Claims Not Increasing**

Despite the increased claims consciousness on the part of the public, nuisance claims are on a decrease, Mr. Hare said, in response to a question on that point. While the underwriter and buyer may feel that they are being subjected to unnecessary losses, the claim departments have found that this is not the case.

Speaker at the luncheon Friday was Paul W. McCracken, associate professor of business conditions at the University of Michigan. He predicted that there will be more slack in the economy next year, the principal point of weakness being capital outlay by business. Now is clearly the time to cut costs, and there is a need to reacquire selling skills. The major problem in business is whether wage increases really can be taken out of profits without a consequent price increase.

The members of Mid-West Insurance Buyers Assn. of Chicago conducted a warm-up session for the A.M.A. meeting at their Christmas party the evening before the first session. About 45 attended. This is the meeting at which everybody wins something. Toastmaster was George T. Heinrich, Caterpillar Tractor Co. The entertainment was in charge of Don Powell, U. S. Gypsum; Ann Auerbach, Goldblatt's, and C. S. Ziolkowski, Montgomery Ward.

# SURETY

## Surety Press Luncheon Given at New York

About 50 members of the insurance press and executives of the surety business and of Surety Assn. of America attended the annual press luncheon of Surety Assn. Martin W. Lewis, general manager, and David Porter, public relations director, spoke for the association. Charles L. Phillips, executive vice-president of U.S.F.&G., brought greetings from the surety business. He said he had made a special trip from Baltimore to attend in order to express his appreciation of the kind of job the insurance press has done, especially for fidelity and surety. In the provinces, he added, those in the business have no other way to keep abreast of conditions except by reading the trade papers. W. E. McKell, president of New York Casualty and head of Assn. of Casualty & Surety Companies, and J. C. Smith of Travelers took a bow.

## Bond Rate Cut 20%

Commissioner Malone announces a reduction of approximately 20% in the rates charged for tax collectors bond in Pennsylvania effective Jan. 1.

## Hawaii Contract Bonded

Raymond Shirai and Akira Misawa jointly have been awarded a contract at $1,062,821 by the Kahululi Development Co. for construction of 198 single family dwelling units in the village of Kahululi, on the island of Maui, T. H. Continental Casualty, through its Los Angeles office, is executing the payment and performance bond.

## Operation and Ownership Distinguished in P. L. Case

Accident & Casualty has been held liable under a decision of Illinois appellate court for suit money and costs incurred by an assured in defending actions for personal injury and death occurring in a gravel pit at Skokie, Ill., that was owned by the insured but was not listed as a covered premises in the policy.

The court concluded that the accidents actually arose out of the operation of the 10 acre tract comprising the gravel pit and that the ownership of this tract was incidental. The accident was not caused by the ownership of the property but resulted from a hazard which existed because of the operation of the tract. The case was A. & C. vs. Pierre et al.

The insured was Nicholas Pierre, an excavating, grading, and trucking contractor. On June 16, 1946, William Atley Peers, 7, was drowned in the water-filled pit. On Aug. 16, 1946, a 2½ year old boy was injured there. Pierre was absolved of liability in an action arising out of the Peers case and the other claim was adjusted in probate court. The issue as between A. & C. and Pierre pertained to suit money and costs.

The policy, in limits of 10/20, listed the permanent address of the insured, which was his home and place of business. The 10 acre tract, one mile distant, was not listed. Pierre caused certain gravel and dirt to be trucked from the tract in connection with his business and the court expressed the belief that this work, labor and equipment were within the "Purpose of use. . . . Grading of land—not otherwise classified—including borrowing, filling or back-filling."

## Ill. Assigned Risk Plan Is Being Revised

The Illinois automobile assigned risk plan is being revised in important particulars effective Jan. 1. The changes in part incorporate features of the national advisory uniform plan but there are some innovations.

The evidence of declination of coverage is to be modified so that an applicant need submit only one letter of rejection or in the alternative he may furnish other evidence satisfactory to the committee that he has been refused insurance and is entitled to come under the plan.

All initial applications for insurance must be accompanied by an application fee of $3 per motor unit. This is in addition to the premium and is not returnable. The fee becomes the property of the plan and will be used to defray the cost of operation.

**Surcharges Eliminated**

Surcharges are eliminated except for long haul trucks and the so-called penalized risks, that is—those convicted of traffic violations, etc. Thus, those that go to the plan because of underwriting consideration such as age will not have to pay a surcharge. In the past there has been a 15% surcharge on all.

The period of assignment hereafter is to be limited to three years. If a risk is unable to obtain insurance through normal channels at the end of the three-year period, reapplication may be made to the plan and this shall be considered as a new application.

The plan will no longer furnish gratis, application forms and manual inserts. These may be purchased from Statistical & Recording Corp. at Danville, Ill.

## Agree on Area of Clayton Act

(CONTINUED FROM PAGE 1)

indicated the figures were prepared after the business had run off the books so they were in effect earned premiums.

The exhibit showed that the total U. S. premiums on this class in 1947 were $41,618,855 of which $4,473,843 came from New York state.

This total was broken down into the several classes as follows: Form 1, New York, $2,562,538; United States, $11,408,926. Form 5, New York, $723,946, and U. S., $3,545,997. This makes a total I.U.B. forms for New York $3,286,434 and for the U. S. $14,954,923. On form A New York premiums were $1,043,524 and for U. S. $17,000,827. Premiums on all other floaters for New York were $152,835 and for U. S. $9,663,105.

### How Companies Stood as to Vote

The exhibit also showed a score for the companies as they divided up in the vote on the credit-surcharge rating plan of Aug. 31. Member companies that voted for the credit-surcharge permanent rating plan had New York premiums in 1947 on this class of $2,824,514 and in the U. S. of $24,221,258. This was 63% of the total in New York and 58% of the total in the U. S. Member companies voting against the plan in 1947 had $1,474,306 premiums in New York, 33% of the total, and $14,893,874 in the U. S., 36%. Member companies not present had a total of $107,858 in New York, 2%, and $1,750,088 in the U. S., 4%. The figures of Boston and Old Colony, which attended the meeting where the vote was taken but did not vote, were excluded because in 1947 they were members of the General Cover Underwriter Assn., figures for which were reported in bulk to M.L.S.O. The score for member companies present at the meeting but not voting is $67,165 for New York, 2%, and $753,635 for the U. S., 2%.

Mr. McCarl and Homer D. Rice, general manager of the New York Fire Insurance Rating Organization, both were questioned closely on rating procedures and methods of handling business, particularly multiple location writings. Mr. McCarl indicated at several points that he could not qualify as a rating expert. M.L.S.O. is not a rating organization.

### Describes "Sponsoring" Bureau

He explained that in connection with interstate business, either on the debit-credit plan or the interstate average tariff plan (but not on single state average tariff plan) there is a sponsoring rating bureau which has final determination of the average rates for use in that state. The sponsoring state is the one in which the greatest values of the risk are located, or where insured has its domicile, or where the insurance has been negotiated. It is possible, he said, that there would be any one of three states that could act as a sponsor. The insurer or originating agent makes the choice as to whether to use a sponsoring system. Occasionally M.L.S.O. is designated by the company to do it.

He was asked also how M.L.S.O. determines the predominant class in setting up experience under National Board classifications. His reply was, from a description of the stock as shown in the application for the rate and also from the dailies. He said M.L.S.O. seldom has information on what is in a specific location but follows a general description.

Although the legal machinery grinds exceedingly slow, one thing that should result from the case, if it goes on at present pace to a conclusion, is the education of the insurance business as a whole and possibly buyers also on multiple location business and how it has been conducted for years. This is something that only a few heretofore have had.

## WANT ADS



## Private Plan Employers Assessed $240,000 in N. J.

About $240,000 will be contributed by 16,000 New Jersey employers toward the administrative cost of private disability insurance plans in the state. The assessment is paid to the division of employment security, department of labor and industry. Private-plan-covered employers pay an assessment of about 2% of the contributions which would have been paid to the state disability benefits fund if the employer had not covered his workers under an approved private plan. During fiscal 1948-49 about $198,013 was spent in administering private plan operations and $41,196 as the share private plan employers for paying benefits to unemployed workers bringing the total to $239,209. The 2% is the maximum assessment which could have been made. However it was pointed out that the assessment had to be based this year on a six month wage period resulting in a higher ratio of cost to contributions than will be expected in future years. The assessment rate is expected to be substantially reduced in the future.

The Iowa insurance department has licensed **Order of Railroad Employes** of San Francisco for A. & H. insurance.

## Fete Blackham on Eve of Retirement from Employers

Retiring after more than 39 years of service with Employers Liability, James W. Blackham was given a farewell dinner by executives and associates Dec. 14 at Boston.

Mr. Blackham started with Employers in 1910 as a junior clerk. He has been an assistant deputy manager of Employers Liability and a vice-president of American Employers and Employers Fire. Charles E. L. Kimball succeeds Mr. Blackham.

## McDonough Lincoln Speaker

LINCOLN, NEB.—Alexander McDonough of the Omaha office of Travelers discussed "Insurance and the Law" at a meeting of National Office Management Assn. here. For several years he was a member of the governing committee of the Nebraska automobile assigned risk plan.

# CHANGES IN CASUALTY FIELD

## J. R. MacKay to Fireman's Fund Head Office

James R. MacKay has been transferred from Seattle to the head office of Fireman's Fund, to become agency superintendent. He will assume executive supervision over indemnity and automobile production and have general supervision, under Assistant Vice-president Hugo H. Methmann, of branch office and agency activities in the 11 western states.

Mr. MacKay has been with Fireman's Fund since 1936. In 1937 he was transferred to Seattle as a casualty claims adjuster. In 1940 he was appointed special agent for casualty, automobile and surety business throughout the Pacific northwest territory. In 1945 he was named indemnity manager there. He was born at Juneau, Alaska, and in 1933 graduated from University of California, and in 1936 he received his LL.B. there and was admitted to practice in California. He is past president of Casualty Assn. of the State of Washington and the Surety Assn. of Seattle.

## Indemnity of N. A. Names Three New Dept. Heads

Indemnity of North America has promoted Marshall I. Groff, Thomas W. Dickson II and Henry C. Bertram from assistant superintendents to superintendents in the underwriting department.

Mr. Dickson, new superintendent of the automobile department, joined the company in 1930 in the statistical department. In 1940 he was transferred to the automobile department and in 1948 became assistant superintendent.

Mr. Groff, new superintendent of the workmen's compensation and liability department, had been an agent, a special agent and an underwriter before joining the company in 1942. He was appointed assistant superintendent in 1948.

Mr. Bertram, new superintendent of the burglary department, joined the company in 1925 as special agent at Philadelphia. Previously he was with F. & D. and Commercial Casualty. He traveled Virginia, Maryland, the Carolinas and central New York before going to the head office in 1929.

## Continental Ups Lyman

Continental Casualty has appointed Parker H. Lyman as manager of the Oregon service office at Portland, Ore. He has been manager of the claim department.

## Grand Rapids Development

Howard Edgecombe, field assistant at Detroit for Zurich-American, has been transferred to Grand Rapids. He will establish headquarters there to provide more convenient service for agents in the western half of Michigan. The Grand Rapids operations will continue under the direction of A. W. Maas, manager of the Detroit branch, which controls all activities in Michigan.

## Get L. & L. for W. Va.

Fred C. Campbell & Son, Inc., of Wheeling, have been appointed general agents for West Virginia for London & Lancashire Indemnity. In addition they are general agents for Reliable Fire of Dayton, Buffalo and Farmers of York.





# ASSOCIATIONS

## Barry Named President

DENVER— Mountain States Casualty & Surety Assn. has elected the following officers: President, W. W. Barry, New Amsterdam Casualty; vice-president, P. E. O'Rourke, O'Rourke, Beery & Daniels; secretary, E. C. Longfield, Reed & Co.

## Ohio Assn. Hears Harter

The December dinner meeting of Ohio Assn. of Casualty & Surety Managers was held Monday evening at Columbus. Speaker was Joseph M. Harter, attorney.

## Heath San Antonio President

The San Antonio Claim Men's Assn. has elected Willard Heath, Trinity Universal, president; Richard Johnson, Lloyd Caldwell Claim Corp., and V. F. Hastings, Aetna Casualty, vice-presidents; Leon Osburn, Maryland Casualty, secretary.

## Adjusters Have Big Party

This year's Casualty Adjusters Assn. of Chicago Christmas party was the most successful ever held with more than 800 attending. The party, held at the Morrison hotel, featured refreshments, food and exceptional entertainment. James MacLean, Home Indemnity, president of the association, welcomed the guests. The floor show, arranged for by a committee headed by J. C. Donovan, Hawkeye Casualty, was of strict professional standards.

## Byrne Reviews Decisions

Terence J. Byrne of U. S. Guarantee at the December meeting of Surety Claim Men's Forum of New York discussed recent court decisions in fidelity and surety. The forum will hold its next meeting Jan. 12.

# COMPANIES

## Maryland Casualty Pays Extra Dividend of 25c

BALTIMORE — Maryland Casualty has declared the regular semi-annual dividend of 25c a share and an extra year-end dividend of 25c a share on the common stock.

Also voted was the regular semi-annual dividends of $1.05 on the prior preferred stock and 52½c on the convertible preferred.

All dividends are payable Dec. 31 to stock of record Dec. 20.

Roger J. Whiteford, attorney of Washington, D. C., was elected a director, succeeding Ashton Dovell of Williamsburg, Va., who died Oct. 29. Mr. Whiteford is head of the Washington law firm of Whiteford, Hart, Carmody & Wilson.

## Agents' Company to Expand

ST. PAUL — Casualty Underwriters, Inc., owned entirely by local agents, is all set to broaden its activities when the new year opens. Since its establishment about two years ago the company has confined its operations to automobile insurance but it has now increased its capital and surplus to a point that permits it to write general casualty lines.

Therefore, as soon as forms are received and approved it will begin writing comprehensive farm liability, personal liability and general liability and garage liability. This year the premium volume was about $750,000 compared with $456,000 last year. It reports assets of $850,000.

E. N. Krapu has been added to the staff as general casualty underwriter.

## Seaboard Ups Dividend

Seaboard Surety has declared a year-end dividend of 50 cents payable Dec. 30. This increases the total dividend disbursements per share to $2.50 as compared to $2.20 paid in 1948.

# PERSONALS

**B. T. Sheppard,** superintendent of claims of Hartford Accident at Los Angeles, has just completed 35 years with the company. His entire career with Hartford has been in the southern California branch.

**B. J. Nietschmann,** Chicago manager of National Surety, is bereaved by the death of his father, Albert F. Nietschmann, 93, a lifelong resident of Chicago.

## Timm Reelected President

George A. Timm, who is vice-president of Wisconsin Assn. of Insurance Agents, was reelected president of the Kenosha association. A. J. Pennefeather, vice-president, and John L. Hogan, secretary, also were reelected. The Christmas party is being held Dec. 22.

## Dineen Talk Reprinted

The Life Insurance Agency Management Assn. of Hartford has reprinted the address which Superintendent Dineen of New York made on "Socialized Medicine or Private Insurance?" at its annual meeting in Quebec in November. This talk was summarized at some length in THE NATIONAL UNDERWRITER of Nov. 17.

Mr. Dineen was speaking without manuscript or notes and even in its printed form, the talk retains its lively and informal tone.

**James Wroe** of Fairmont, W. Va., has joined Western Adjustment at Columbus. He is a graduate of University of West Virginia and has been with Roane Adjustment Co. in West Virginia.

# ACCIDENT AND HEALTH

## Thirteen Insurers Bid on Tennessee Group Insurance

NASHVILLE—Bids from 13 insurers are in the hands of a special committee, headed by Commissioner Allen, for group medical and hospital insurance on approximately 12,500 employes of the state of Tennessee. Such a setup would be substituted for group plans now being used in various state departments, but premiums are to be paid entirely by the policyholder and participation is optional. J. W. Bishop, Jr., Chattanooga, was appointed agent of record to work with the committee in determining rates, etc.

James Maine, department actuary, worked out the schedule, which embraces hospital benefits of $6 a day for 14 days, miscellaneous expenses up to $60, and not to exceed 10 times the daily benefit for all hospital charges for dependents; surgical expenses according to a plan of Tennessee Medical Assn., and medical insurance covering physician's fees of $3 a day up to 31 days. Present state laws, according to Commissioner Allen, do not permit the state to contribute toward the plan, but all departments can cooperate and payroll deductions are authorized.

## Up Morrell, McCullough

Louis C. Morrell has been named assistant to Vice-president J. M. Smith, who heads the A. & H. department of Continental Casualty. He will serve all divisions of the A. & H. department in a sales capacity and will have executive supervision of the actuarial department, passing on all new A. & H. coverages and rates. He launched the special risks division in 1945 after many years of experience with various lines of insurance on the coast and in Chicago. He is succeeded as head of that division by Frank McCullough, who has been west coast supervisor of aviation and special risks. Robert Bolson, who has been eastern supervisor of the aviation accident division, takes over the west coast post and is succeeded at the New York office by Charles Thompson.

## Stephens Utah Speaker

SALT LAKE CITY — At the December meeting of Utah A. & H. Club, D. C. Stephens, general agent Security Life & Accident, told of the changes over the years in the kind of policies put out, approach of the agent and sales methods. The improved policy contracts and more highly-trained producers have resulted in better public relations. He feels that there is absolutely no room, according to present day standards, for the "order taker." The A. & H. salesman who sells his prospects what they need, renders efficient personal service and keeps the business on the books can build for himself a competency not to be found in other selling lines.

A. Harry Good, chairman of the club's educational committee, announced that an A. & H. course will be held the last week of February and the first week of March. It is expected that the classes will be conducted by Wesley J. A. Jones, executive secretary of the International association.

## Criticises Boosting Bills

W. Grady Carper of Princeton, W. Va., in addressing Charleston (W. Va.) Assn. of A. & H. Underwriters, criticized hospitals and doctors for "setting their fees to match the scale of insurance benefits." He told of receiving a policyholder's bill from a Charleston hospital with the item of $200 for surgeon's fee changed to $300.

"It was obvious to us that the hospital had consulted our policy and had seen that our company allowed $300 instead of $200, so they increased the charge," he said.

Mr. Carper urged a closer relationship between hospitals, doctors and insurers to put up a solid front against the threat of socialized medicine.

## Christmas Party Big Success

The Christmas party given by Detroit A. & H. Assn. for 100 underprivileged children was again an outstanding success, with very generous contributions both on the financial side and in time and effort spent by the members. Edward L. Matyn was chairman.

Charles B. Stumpf, president of the International association, will speak at the next meeting Jan. 10 on "None Can Go His Way Alone."

## Organize at Raleigh

R. H. King, Associated Insurers, has been elected first president of the newly organized Raleigh (N. C.) Assn. of A. & H. Underwriters. Vice-president is O. B. Hawkins, Mutual Benefit H. & A., and secretary, J. O. Stanton, General Accident.

Wesley J. A. Jones, executive secretary of International association, spoke at the organizational meeting and went on from there to assist in organizing associations at Winston-Salem and Charlotte.

## Hearing on Policy Fee Rule

A hearing has been arranged at Jackson Dec. 28 on a recent ruling by Commissioner White of Mississippi, changing the regulations in regard to policy fees on A. & H. policies, some features of which the companies considered objectionble.

## Pittsburgh Congress Feb. 20

Pittsburgh Assn. of A. & H. Underwriters will hold a sales congress Feb. 20. The program will begin at 2 p. m., with sales discussions and presentations by nationally known speakers, followed by a banquet in the evening.

Charles H. Bokman, New Amsterdam Casualty, president of the Pittsburgh association, is arranging for an outstanding group of speakers and it is expected to bring out an even larger attendance than the 300 who were on hand for last year's congress.

## Hearthstone Elects Officers

W. Clement Stone has now been elected president of Hearthstone of Boston, the company previously known as Boston Casualty and most recently owned by Boston Ins. Co. Mr. Stone is president of Combined Ins. Co. of Chicago and Combined American of Dallas. Those companies have acquired 97.39% of the stock of Hearthstone. The headquarters of that company are at 120 Boylston street, Boston. W. R. Harrington becomes vice-president of Hearthstone; F. E. McCabe, secretary; J. C. Whitcomb, assistant treasurer and Helen W. Kelly, assistant secretary.

**Kansas Assn. of A. & H. Underwriters** held its Christmas meeting Dec. 19 at Wichita. Rev. Armour Evans, superintendent of Wesley Hospital, spoke on the Christmas theme. Special Christmas music was furnished by a group from University of Wichita.

## Olsen to Detroit Agency

Robert W. Olsen has been named manager of the Pfalz & McGraw supervising general agency of Detroit. Mr. Olsen has been in the Michigan territory for 20 years and for 13 years has been state agent for Employers Fire.

## Columbia, Mo., Agents Elect

New officers of Columbia (Mo.) Insurance Agents Assn. are: President, Chester L. Young; vice-president, Sears Jayne; secretary, Emmett Wayland; treasurer, Ralph K. Pfemmer.

## Security Mutual Casualty Is on Sioux City Loss

The general insurance market escaped the consequences of the explosion presumably due to gas that seriously damaged the plant and office building of Swift & Co. at Sioux City, Ia., that killed 20 persons, and that caused injuries to about 80 others.

It is understood that this is one of the properties that is self-insured for fire insurance and related hazards by Swift & Co. The workmen's compensation and liability insurance is with Security Mutual Casualty of Chicago which is a Swift & Co. subsidiary.

Of those killed, 17 were employes and three were truckmen who happened to be at the docks at the time of the explosion. There are about 57 persons still in the hospital and about 15 are classified as seriously injured. All except one or two of the injured persons were Swift & Co. employes. The present theory is that this was an explosion of natural gas that somehow seeped inside the structure.

## Revising Michigan Code

LANSING—Mrs. Frances Royce, Michigan legislative bill drafter, has begun work on a revised edition of the state insurance code soon to be published. The 1949 legislature provided an appropriation, part of which is being used to defray the cost of the code publication. Many amendments have been made in the code since it was last issued in a revised edition in 1940.

# INSURANCE NEWS BY SECTIONS

## MIDDLE WESTERN STATES

### University of Illinois Insurance Society Gathers

Within the coming decade, the insurance business, which is the acme of the capitalistic system, will be the guinea pig of the struggle of private vs. public business, James C. O'Connor, editor of the Fire, Casualty & Surety Bulletins, told members and guests of the insurance society of University of Illinois at its annual Christmas dinner at Champaign.

"The future of private insurance, which is the keynote to the future of private business, depends on whether or not insurance leaders in the next decade will be forceful enough to step in and provide the security the public wants before the government takes the business away by default," he declared. The speaker predicted that the public demand for non-occupational accident and disability protection will merge with the demand for auto accident compensation to provide the first test of whether private insurance can "step into the breach" before the government does.

Special guests at the meeting of the society, which is composed of students interested in entering the insurance business, included Frank H. Hawk of Peoria, president, and William Hamilton, manager of Illinois Assn. of Insurance Agents.

Dr. R. I. Mehr, head of insurance curriculum of the university, introduced guests and awarded an honorary membership to R. W. Osler, Rough Notes Co., "in recognition of contributions to the field of insurance education."

O'Connor concluded by telling student members of the society that the business needs the viewpoint of young people without ancient and pre-formed prejudices if it is to maintain itself as private enterprise.

### Mutual Companies Elect Van de Zande President

Charles Van de Zande, Campbellsport Mutual, was elected president of Wisconsin Federation Mutual Insurance Companies at the annual meeting at Milwaukee. T. R. Schmidt, Kewaskum Mutual, is vice-president, and T. E. Stickle, Furniture Mutual, was reelected secretary. Gary H. Kamper, Badger Mutual, and Mr. Stickle were nominated mutual representatives on the management committee of Wisconsin Fire Insurance Rating Bureau.

The spring regional meetings for mutual agents will again be held in 1950 in cooperation with Wisconsin 1752 Club.

A resolution was passed by the federation opposing the present trend of government to socialize private business and going on record as opposed to the compulsory health insurance program of the national administration in competition with voluntary plans now available and functioning effectively.

### Raises Issue on Renewal Premium Liability

District Attorney W. J. McCauley at Milwaukee was quoted in the newspapers as counseling policyholders that there is nothing in the law to require them to pay premiums on renewals of policies that they have not ordered. He said that his office had learned that some insurance companies had turned accounts of this nature over to collection agencies and declared that the purpose of the threatened suits is to frighten people into paying for something that they never had ordered or authorized.

Reputable insurance companies, he declared, renew a policy for a customer and extend him credit. The companies do this at their own risk and if the premium is not paid within a reasonable time, the contract is canceled.

Directors of Milwaukee Board of Underwriters were queried by the newspaper on this matter and Monroe Porth, chairman of the public relations committee, said the directors decided to defer comment. After learning the details of any particular criticism, a statement may be issued, he declared.

### Kerper Elected in Mich.

LANSING, MICH.—John Kerper, Employers Mutual Casualty, was elected president of Michigan 1752 Club, succeeding Howard Schreiber, Northwestern Mutual, who goes on the executive board. Others named were Bruce W. Davis, Lumbermen's Mutual of Mansfield, vice-president; George Bubolz, Home Mutuals of Appleton, secretary-treasurer, and Roger Sullivan, Michigan Mutual Auto, assistant treasurer. The mutual field men contemplate holding a series of regional educational meetings next spring in cooperation with the Michigan Mutual Insurance Agents Assn.

## SOUTH

### Tennessee Department Airs Chattanooga Agcy. Muddle

NASHVILLE—The Tennessee department spent two days on a public hearing on the financial affairs of the Moyses-Oppenheim agency, Chattanooga, headed by Herbert Oppenheim. Company representatives and other local agents claimed long unpaid obligations by the Chattanooga agency and asked the department to suspend the license of Oppenheim and perhaps others in the agency. Although denying any past-due premium obligations, Mr. Oppenheim said that "the Hamilton National Bank has a mortgage on everything I possess and everything my wife (also a principal in the agency) possesses."

W. C. Eaton, vice-president, and Aaron Coates, Atlanta, general agent of Rhode Island, testified that the agency sold 75 policies of that company without a certificate. With T. E. Miles, deputy commissioner, who conducted the hearing, promising an early decision, Charles Houston, attorney for the department, stated that no other certificates for company representation would be issued until the agency's affairs are cleared up.

### New Miami Agency

The Powell & Reynolds agency has been formed at Miami with offices in the Biscayne building.

E. Grady Powell has been with Florida Inspection Rating Bureau for many years and for the last three years has been with the Sertel-Reducka local agency as vice-president. Mr. Reynolds was a vice-president of the Sertel-Reducka agency for three years and for six years was with Standard Accident as claims manager at Miami, and for 14 years with Maryland Casualty in Pennsylvania and New Jersey.

The new firm will handle all lines.

### Poston Firm Names Nelson

The Raymond N. Poston adjustment firm of Miami has appointed P. E. Nelson as general adjuster at the Key West office.

Mr. Nelson was for many years with Western Adjustment in Nebraska and Kansas and, during the 1927 hurricane was assigned to Miami to assist General Adjustment Bureau. He will handle losses south of Miami along the Florida Keys.

Hugh N. Gilchrist, formerly claims manager for Massie & Fenwick, Canadian managers of Loyalty Group, has joined the Poston staff, and the firm now has facilities for the area from West Palm Beach to Key West.

## COAST

### Walter P. Simi Now Heads Cal. Brokers Unit

SAN FRANCISCO—Walter P. Simi has been elected president of Insurance Brokers Exchange of California, succeeding Herbert E. Sharpe, who will remain a member of the executive committee. Hal D. Willson of Willson & Filmer becomes first vice-president and Albert A. DeVoto of DeVoto, Lewis & Co. is second vice-president.

Mr. Simi has been an official of the exchange for 12 years, having been treasurer, chairman of the legislative committee, chairman of the casualty and surety committee, and for several years a member of the arbitration committee; he has also been a member of the executive committee and board of governors.

Along with the main officers, J. H. Miller was reelected to the board of governors, while five members were elected to the board for the first time: Norbert Cronin, R. N. Hammond, Laurent A. Loustau, Alan G. Metzger, all of San Francisco, and Vincent Nuccio of Los Angeles.

An organizational meeting of the board is set for Jan. 17.

The formal installation will take place at the annual luncheon Jan. 19.

### M. B. Waterbury Heads Ore. Surplus Line Assn.

The annual meeting of Surplus Line Assn. of Oregon was held at Portland. Chairman J. E. Finke of Swett & Crawford in his report emphasized the stabilizing effect which the association has had on surplus line writings since its inception in 1939.

New officers are: Chairman, M. B. Waterbury, Rathbone, King & Seeley; vice-chairman, H. R. Drinker, Metzger-Parker agency; secretary, F. R. Brennan, Hinchman-Rolph & Landis; executive committee, Mr. Finke, H. B. Larson, H. B. Larson & Co., and H. M. Robinson, Marsh & McLennan.

### Change as to Solicitors

LOS ANGELES—The licensing division of the California department has decided that solicitors holding certificates of convenience may change employers without paying an additional fee and filing a new application. No new certificate will be issued but the name of the old employer will be stricken from the certificate and the name of the new employer inserted, with the date of change.

### Bureau Advances Two

Washington Surveying & Rating Bureau has promoted R. A. Pedersen to assistant chief engineer and Hal Kenney to assistant chief surveyor. Both are University of Washington graduates.

### Slate Miller as President

John G. Miller of Groninger & Co. has been nominated for president of Washington Fire Underwriters Assn. The election will be held at the annual meeting Jan. 13. M. C. Johnson, Phoenix-Connecticut, has been nominated for vice-president and Mark T. Perry, Boston-Old Colony, for secretary.

Hugh Coburn, Boston-Old Colony coast manager, will be the principal speaker at the meeting.

## EAST

### Report Made on Hartford Fire-Fighting Facilities

HARTFORD—Fire-fighting facilities here are generally very good, according to a survey by National Board, but there is still considerable room for improvement.

The fire department is well trained and well equipped, but fire company strength in some cases is inadequate and some training facilities could be improved, the report states. The engineers, who began their study in June, also found the condition of some of the city fire stations poor. The firm alarm system is operating with aging equipment, they say.

So far, city officials have not received word of the actual rating the inspectors give the city.

### Study Pa. Codification

HARRISBURG, PA. — The joint state government commission—research arm of Pennsylvania's legislature—has named a sub-committee on insurance to study the present state laws relating to insurance and submit proposals to the 1951 assembly for their codification. The subcommittee is headed by Rep. Kline, chairman of the House insurance committee.

### G.A.B. Has Eastern Changes

George H. Hall, manager at Jamaica, N. Y., for General Adjustment Bureau, has been named general adjuster and branch manager. Mr. Hall joined G.A.B. 23 years ago at Jamaica and in 1943 was appointed manager there. As general adjuster he will supervise operations on Long Island.

Charles F. Hargrett has been transferred to Hempstead, N. Y., as manager. He has been manager in the Bronx. He started with G.A.B. in 1941 at Norfolk, Va., and has served at Jamaica and Buffalo.

W. G. Hall, Jr., succeeds Mr. Hall in the Bronx. He entered the business in 1935 and joined G.A.B. in 1940 at New York. He has served at White Plains and Providence as senior adjuster.

### Cambridge Agents Organize

Officers of the newly organized Cambridge (Mass.) Assn. of Insurance Agents are A. Warren Hanson, president; George R. Giles, vice-president; Fred F. Stockwell, secretary.

### New Jersey C.P.C.U. Elects

At the annual meeting of New Jersey C.P.C.U. chapter at Newark Deane W. Merrill of the Thoms, Merrill & Co. agency, Newark, was reelected president for the year 1950.

Samuel M. Williams, Jr., Maryland Casualty, was elected vice-president, and Clyde W. Quick, Aetna Casualty, secretary.

### Address Savings & Loan League

Charles H. Cover and William Single, Jr., of Great American spoke on fire insurance at a meeting of Maryland Savings & Loan League at Baltimore, with emphasis on the interest of the savings and loan association in that field.

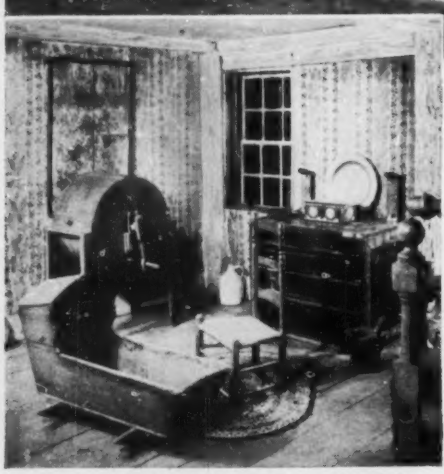
Mr. Cover dealt with the standard fire policy and Mr. Single led a discussion on fire risks.

*Famous American Homes*

# "OLD PUT"

## *The Farmer General*

THE INDIAN TRAIL which once led past Israel Putnam's birthplace has given way to a crowded turnpike; the town, formerly Salem Village, is now Danvers, Massachusetts; but the house has withstood the onslaught of time and change and last year had its 300th anniversary. It was built in 1648 by Thomas Putnam, son of the founder of the family in this country, and himself the grandfather of Israel who was born there in 1718.



*Wallpaper in General Putnam's bedroom is probably the first ever used in any house in this country*

Soon after his marriage to Hannah Pope in 1738, Israel moved to Pomfret, Connecticut, later renamed Brooklyn, where he became a prosperous member of the community. Enlisting as a volunteer during the French and Indian Wars, he was soon commissioned second lieutenant and joined Rogers' Rangers. One of many narrow escapes in his eventful life occurred when Indians took him captive and tied him to a tree. Just as they were preparing to burn him alive he was rescued.

For a time Putnam lived peacefully on his Connecticut farm and augmented his income by operating a tavern where patriots used to congregate in the stirring days before the Revolution. Then in April, 1775, came the incident known to every school child. The news from Lexington reached him while he was at work in the fields. Laying down the plough and unyoking the oxen, he immediately set off to fight for freedom. At the Battle of Bunker Hill it was General Putnam who uttered the memorable command to his men, "Don't fire until you see the whites of their eyes."

Another of "Old Put's" exploits which has become part of the American legend took place on his farm where a savage wolf and her whelps had killed seventy of his sheep and goats. With a torch in one hand and his musket in the other, he drove her into a cave into which his neighbors lowered him by his feet. There he slew the ferocious beast and brought her carcass to the surface.

Israel Putnam's birthplace is now enclosed by one of the four leaves of a huge clover-leaf traffic circle which was especially designed to spare the ancestral home. The present owner, who founded three well-known private schools in New England, has devoted a half century to the maintenance and restoration of the house. It is occupied by one of her sons whose child represents the tenth generation of Putnam descendants to live there. The Putnam homestead claims the distinction of being the oldest house in the country to have remained in the continued possession of one family.

* * *

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